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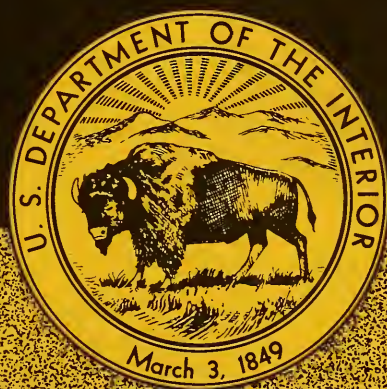
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1967

1967 ANNUAL REPORT

Virgin Islands

to the
Secretary
of the
Interior





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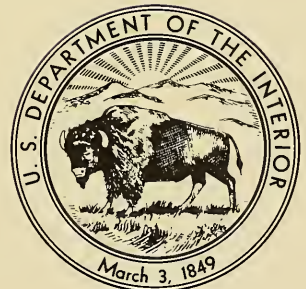
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1967 ANNUAL REPORT

Virgin Islands

to the
Secretary
of the
Interior

For the Fiscal Year Ended June 30



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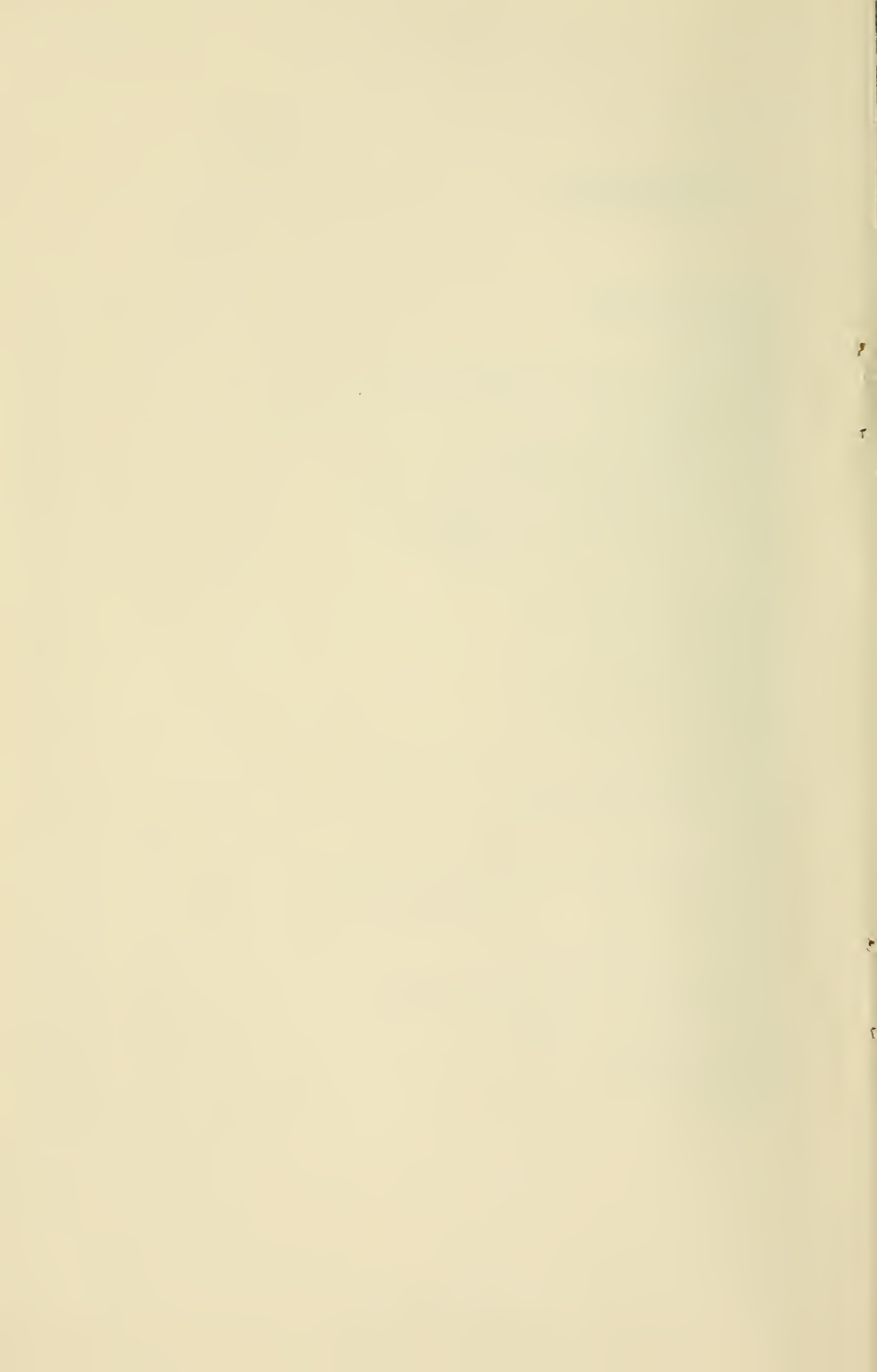
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Contents

General Information.....	1
Highlights of the Year.....	8
Legislation.....	17
Virgin Islands Water and Power Authority.....	22
Virgin Islands Airport and Industrial Resources Agency.....	25
Public Utilities Commission.....	28
Bond Issue and Interim Financing.....	30
Control of Processing of Woolen Yard Goods.....	32
Control of Manufacture of Watches.....	36
Office of Public Relations and Information.....	38
Office of the Government Secretary.....	40
Department of Education.....	53
College of the Virgin Islands.....	62
Department of Health.....	64
Department of Social Welfare.....	75
Department of Commerce.....	85
Department of Agriculture.....	89
Department of Labor.....	92
Virgin Islands Employment Security Agency.....	97
Department of Public Works.....	99
Department of Finance.....	101
Office of the Director of the Budget.....	114
Department of Housing and Community Renewal.....	124
Department of Property and Procurement.....	130
Department of Law.....	133
Department of Public Safety.....	134
The Municipal Court of the Virgin Islands.....	143
Office of Probation and Parole.....	146
Virgin Islands Planning Board.....	147
Division of Personnel.....	150
Selective Service.....	152
Conclusion.....	155



General Information

History

Christopher Columbus, sailing to the New World on his second voyage in 1493, dropped anchor on the north side of St. Croix and the island's first "visitor" took in the unspoiled tropical beauty and rolling hills of a Caribbean paradise. The spot is known today as Salt River Bay, one of the many picturesque inlets in the U.S. Virgin Islands.

The Great Navigator named his "discovery" Santa Cruz, meaning "Island of the Holy Cross" and sent a landing party ashore to replenish the ship's dwindling water supply. Instead of the warm welcome visitors receive today, Columbus' men were repulsed by the fierce Carib Indians. No further attempts were made to land and colonize until 1555 when the hostile Caribs were driven from St. Croix by the soldiers of King Charles V of Spain.

Columbus was so impressed with the beauty of the island chain, he christened them "Las Virgenes" in honor of St. Ursula and her 11,000 martyred virgins.

The value of these and the other islands of the West Indies soon became apparent to the crowned heads of Europe and colonization was encouraged. England, France, Holland, and Spain vied for control during the 17th century with sugar as the principal attraction. So important was trade with the West Indies that Great Britain, negotiating with France to end the Seven Years' War in 1763, seriously

considered keeping the Island of Guadeloupe instead of Canada.

Denmark played the most important role in the development of the U.S. Virgin Islands. Entering the picture in 1671, she chartered the West India Co. and began serious colonization of St. Thomas and St. John. St. Croix was purchased from France in 1733. Except for a brief period of British occupation during the Napoleonic Wars, the Danes ruled these islands until 1917.

Thus began a golden age of commerce and peaceful development for the Virgin Islands, blessed by the Danish policy of neutrality and liberal trading laws. Ships of all the nations of Europe, carried to the fine harbor of Charlotte Amalie on St. Thomas by the constant easterly trade winds, gathered there and a booming trade with the New England States of the new American nation supported the burgeoning island economy.

Sugar was king and its influence was felt everywhere. Throughout the Islands of St. Thomas, St. Croix, and St. John, massive stone windmills were erected for grinding cane. Many of these towers remain reminders of a bygone era and evidence of a once flourishing plantation life.

With wealth came the unfortunate byproducts, greed, and avarice. The Caribbean became the hunting ground of such notorious pirates as Captain Kidd and Edward Teach, the notorious Blackbeard. It is said the Virgin Islands were spared the depredations of these buccaneers by paying "protection" in

the form of sanctuary and commercial privileges.

Sugar brought great prosperity to the islands and the plantation owners. It also brought misery and privation to the thousands of slaves who were introduced from Africa in the 1680's to work the canefields. Their suffering finally erupted into revolt. On St. John, after a bloody mutiny, the slaves held the islands for 6 months until the French forces arrived from Martinique to help the Danish masters regain their land. Legend has it that the last survivors of that ill-fated uprising committed mass suicide by plunging over a cliff or shooting themselves rather than face a return to servitude.

Slavery was finally abolished by an enlightened Denmark in 1848, 15 years prior to the publication of the U.S. Emancipation Proclamation. From then on, sugar decreased in commercial importance in the Virgin Islands, outdone by the more favorable conditions for cane operations in Cuba and elsewhere.

The United States took its first interested look at the islands during the American Civil War. However, a purchase agreement fell through when the Senate refused to ratify the negotiations in 1870. Bargaining continued throughout the century but it wasn't until World War I that the United States moved decisively. Fearing a German seizure that would give U-boats a base in the Caribbean, the United States bought the Danish Virgins in 1917 for \$25,000,000. The U.S. Navy was delegated to administer the islands and assumed responsibility on March 31 of that year.

Geography

The U.S. Virgin Islands lie some 1,434 nautical miles southeast of New York City; 991 miles from Miami, Fla.;

and 40 miles east of Puerto Rico, 75 air-miles from San Juan.

The islands are a part of the Antilles which form the dividing line between the Caribbean Sea and the Atlantic Ocean. They are located directly in the path of the trade winds, so commercially important in the days of sail, at the eastern end of the Greater Antilles and the northern end of the Lesser Antilles.

The U.S. Virgins consist of some 50 islands and cays of volcanic origin. Their neighbors, the British Virgins, are made up of another 30 similar islands and cays.

Only three islands in the U.S. group are of any population or commercial significance. The largest of these, St. Croix, with 84 square miles is, for the most part, flat, and suited for agricultural use. Forty miles due north, St. Thomas with 28 square miles, offers dramatic rugged mountains that rise sharply from the sea to a height of up to 1,500 feet. A few miles east of St. Thomas, the Island of St. John with 20 square miles, offers similar land and sea scapes. Both islands rise from the same submarine plateau. Between these two islands and St. Croix, the Caribbean Sea deepens to a 15,000-foot trench.

Because of the steep sloping mountainsides, very little land on St. John or St. Thomas is tillable. St. Croix, however, is well suited agriculturally, and priority is being given to the advancement and diversification of this industry. Until recently, sugarcane was the only important crop. However, it has been a marginal one and has cost the local government large sums of money to cover milling losses. Consequently, sugar has been phased out and terminated as a commercial crop. Over 4,000 acres of prime land will be utilized under a comprehensive plan now being developed. This will

include broad research into feasible food crops, middle-range programs for agricultural development and a long-range plan to preserve the agricultural character and natural beauty of the Island.

St. Croix has two improved harbors. The one at Christiansted, considered to be one of the most picturesque under the U.S. flag, attracts pleasure yachts and medium-sized commercial craft from other West Indian islands. The recently developed deep water harbor at Frederiksted on the east end of St. Croix accommodates ocean liners and is responsible for increased cruise ship traffic to the island. In addition, a full-size airport with direct jet flights to the mainland has further enhanced the growing tourist trade.

St. Thomas, whose agricultural resources are limited by its rugged landscape, more than makes up for this deficiency with its excellent natural harbor. It is one of the ranking ports of call for cruise ships, and the expansion of its airport facilities has now allowed for jet travel to the island.

St. John's main attraction is its unspoiled beauty, guaranteed to remain so since most of the island is taken up by the Virgin Islands National Park. The incomparable beaches, breathtaking mountain views, and lush vegetation bring an increasing number of visitors each year, who explore the island's charm by jeep or boat.

The U.S. Virgins enjoy a near perfect climate. Temperatures stay within the 70° to 90° range with an average 78°. The balmy trade winds provide natural air conditioning. Humidity is comfortably low with rainfall averaging about 45 inches a year.

There is an abundant variety of tropical flora ranging from the well-known hibiscus, bougainvillea, oleander, poinsettia, and wild orchid, to the less common African tulip, frangi pani,

and *lignum vitae*. Many other flowering trees and shrubs add to the island's color and fragrance. Coconut and royal palms are everywhere while the quieter beaches are lined with mangrove, mahoe, and seagrape trees. Exotic fruits from native trees grace the tables of Virgin islanders, the more popular being mango, soursop, lime, guava, sugar apple, avocado, papaya, genep, and mammee apple.

Though there is no large commercial fishing industry, the natives, through their individual efforts, make fish an important part of their daily diet. The Virgin Island waters, particularly in the game fishing sense, are rapidly becoming recognized as a prime fishing area. Blue marlin, wahoo, tuna, tarpon, kingfish, and bonefish are taken the year round while white marlin and sailfish are caught during most months. The Virgin Islands now holds the world record for the largest blue marlin, officially recorded at 814 pounds, and caught during the summer of 1964. Smaller fish also abound. They include grouper, "old wife," yellow tail, and angelfish.

The islands provide stone, sand, and gravel as building materials but there are no minerals of commercial significance.

Government

The Virgin Islands have been governed by many nations. The flags of Spain, France, Holland, England, Denmark, and the United States have flown over all three islands and St. Croix, for a brief time, was administered by the Knights of Malta.

When the United States purchased the Virgin Islands in 1917, the transition was accomplished smoothly by retaining the Danish legal code as the basic law. The Navy was given responsibility for administering the islands

until 1931. Military, civil, and judicial power were vested in the Naval Governor, who was appointed by the President of the United States.

On February 27, 1931, an Executive order from the White House transferred jurisdiction from the Navy to the Department of the Interior, and the first civilian governor was appointed by the President.

A major change in the method of governing the islands occurred with the passage of the Revised Organic Act of 1954, by which the Congress authorized distinct executive, legislative, and judicial branches and provided for a substantial degree of self-government. Changes in the act are now under consideration which, if granted, would give the Virgin Islands an even greater degree of home rule.

Presently, the Governor is appointed by the President of the United States with the advice and consent of the Senate. Working with the Department of the Interior and its Secretary, the Governor is responsible for execution of local laws, administration of all activities of the executive branch, appointment of department heads and other employees. He reports annually to the legislature on the state of the territory and recommends new legislation to carry out the various programs of local government.

The government secretary is also appointed by the President. In the absence of the Governor, the government secretary serves as acting Governor. He has administrative responsibility for banking and insurance laws and the licensing and assessment of real property.

The unicameral legislature is elected for 2-year terms. There are 15 senators, five from St. Croix, five from St. Thomas, one from St. John, and four elected at large by Virgin Island voters of all the islands. Each bill passed must

be signed by the Governor before it becomes law. A two-thirds vote of the legislature is necessary to override the Governor's veto. In this event, the Governor must approve it or submit it to the President for final action.

The judge of the district court of the Virgin Islands and the U.S. district attorney are appointed by the President of the United States. The district court exercises jurisdiction over felony violations of the local criminal code as well as jurisdiction over crime arising under Federal law. The municipal court judges, two in St. Thomas, two in St. Croix, are appointed by the Governor, and confirmed by the legislature. The municipal court exercises jurisdiction over misdemeanor violations and traffic offenses under the local law.

Civil cases involving less than \$500 are handled by the municipal court; cases involving from \$501 to \$10,000 are handled by either the municipal court or the Federal court; all cases over \$10,000 are in the exclusive jurisdiction of the Federal court.

The district court of the Virgin Islands exercises appellate jurisdiction over the municipal court in civil and criminal cases. The U.S. Court of Appeals for the Third Circuit, Philadelphia, and the U.S. Supreme Court exercise appellate jurisdiction over the district court of the Virgin Islands.

Finances and Taxes

There are three principal sources of revenue for the government of the Virgin Islands from which funds are derived for capital and operating disbursement.

The largest source, and one that is growing every year, is from local income taxes. An act of the Congress of the United States provides that Federal income tax schedules be applied as a local tax in the Virgin Islands. Another

major contributor to the treasury consists of Federal excise taxes collected in the United States on imports of Virgin Islands products and returned to the local government as matching funds. In order to receive funds, the islands must raise through local taxes, funds which match in size the excises to be rebated.

In fiscal 1967, the grand total collected for capital and operating requirements was \$46,948,182 as compared with \$37,594,187 in 1966 and \$28,905,904 in 1965.

In addition, the Federal Government assists the islands by appropriations and grant-in-aid allotments for many activities in employment services, public assistance, health and diseases services, wildlife, and libraries. There are over 60 such aid programs and appropriations.

Economic Development

Tourism continues to be the most important industry in the Virgin Islands. Income from visitors' expenditures during fiscal year 1967 reached a new record high of \$75 million as compared with \$59 million in fiscal year 1966.

Efforts continue toward the creation of a broader industrial and agricultural base within the islands' economy. To establish and maintain this economic stability, small manufacturing firms are continually being encouraged to establish operation in the islands. On St. Croix, two large industrial concerns are in production, providing employment opportunities for a large number of citizens.

Such diversification provides year-round employment at good wages for many islanders, and has helped bring about a higher standard of living than ever existed under the one-crop, one-industry, sugar economy of old. Virgin

Islanders' per capita income is in excess of \$2,100 and is by far the highest in the entire Caribbean.

The sale of rum, the distilling of which is a major industry of the islands, is promoted through the Virgin Islands Rum Council, supported jointly by the rum distillers and the local government.

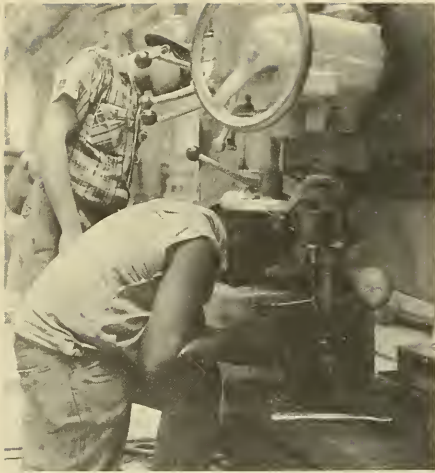
Tax exemptions and subsidy benefits have long been used by the local government to encourage industrial development. Incentives for private investment in hotels, guesthouses, industrial concerns, and housing projects include tax exemptions of up to 16 years and the return of 75 percent of income taxes in the form of subsidy.

Virgin Islands manufacturers of goods that contain not more than 50 percent of foreign raw materials are allowed duty-free entry into the United States of their products under section 301 of the U.S. Tariff Act. The local government, acting strongly to protect the integrity of this section, also guards against abuses by setting up tax quotas for certain classifications of products. Production in excess of quotas is taxed at a much higher rate.

Population

The Virgin Islands are in the midst of a population explosion. Currently, the resident population is estimated at 60,000, including alien workers and part-time residents, and it is expected this will jump to 70,000 by 1970.

The 1960 census recorded the resident population at 32,099. A breakdown of the 1960 population figures records 15,930 males and 16,169 females. Residents of urban communities numbered 18,017; 14,082 lived in rural areas, while 8,892 were enrolled in schools. The total labor force was 11,334, of which 7,363 were male and 3,971 female. Unemployment was listed at 3.4 percent.



Under Manpower Development Training Act Programs, the Virgin Islands Department of Labor in cooperation with local industries and businesses fosters technical training for young islanders. Here an apprentice develops skills as a shop machinist.

English is the traditional language of the Virgin Islands. Some French is spoken by citizens of French descent on St. Thomas, and many Spanish-speaking families have come from Puerto Rico, chiefly settling in St. Croix.

The people are devout and worship in many churches including Roman Catholic, Anglican, Lutheran, Methodist, Jewish, Moravian, Seventh-Day Adventist, Pilgrim Holiness, Christian Mission, Dutch Reformed, and Baptist.

Health and Education

The Virgin Islands have set an example for the entire Caribbean in the preservation of health, the development of education, and the replacement of slums with modern housing.

Each year sees further advances in hospital and public health services, and two multimillion-dollar health centers designed to provide adequate facilities for the long-range needs of the community will reach to construction stage

in 1968. Diseases once associated with tropical climates have long since been eradicated, and the climate eliminates the need for home heating or heavy clothing, further contributing to the good health of the Virgin Islands.

Educational standards continue to be upgraded. Public schools cover kindergarten through high school, and the islands' two major high schools have full accreditation. A crash school construction program, begun 2 years ago, has created an additional 109 classrooms in the islands.

Communication and Transportation

All three Virgin Islands enjoy the facilities of a dial telephone system that is being constantly expanded to meet the growing needs of the community. Marine cables have been installed that has made possible direct dialing to Puerto Rico and to the mainland in early fiscal 1967. Worldwide radio telegraph service is also available.

The islands are served by three radio



Advanced teaching machines are being incorporated in Virgin Islands public school programs. Here one such instrument is being used to develop communicative skills among elementary school pupils.

stations, two television stations, and six newspapers, four of them dailies.

While most visitors come by air, flying in jet planes to Puerto Rico and then by smaller planes to the islands, aircraft design of recent years is affecting this travel pattern. With the introduction of medium-range jet aircraft, capable of takeoffs and landings from short runways, the islands are now serviced by daily direct jet serv-

ice from New York City. Aside from short-stay cruise ship passengers, there are very few people who arrive by boat. Small native sloops and charter boats carry travelers between islands and to the nearby British Virgin Islands.

Local transportation is provided by bus, taxis, and rented vehicles. Most roads are paved, with continued improvement each year, and driving is on the left side of the road.

Highlights of the Year

At the close of fiscal year 1967, the Virgin Islands was positioned to view accomplishments, not only of the previous 12-month period, but on a broad and highly significant scale, of progress realized over the course of a 50-year association with the United States.

The contemporary efforts of this current administration, and that of others since 1917, when viewed and evaluated within the context of these 50 years, presents a total picture of upward movement in terms of social, economic, and political development in the islands.

March 31—Transfer Day in the Territory—in 1967 provided the opportunity for reflection, assessment, and projections into the Virgin Islands future, as the total populous, together with distinguished guests from the United States and Denmark joined in an impressive observance marking 50 years under the American flag. His Excellency Torben Ronne, Ambassador of Denmark to the United States, and the Honorable Stewart Udall, U.S. Secretary of the Interior, led the list of guests at the major semicentennial programs.

The 50-year relationship between the Virgin Islands and the United States provided added significance to the islands' invitation extended to the National Governors' Conference to hold its 1967 convention in the territory. At their Los Angeles meeting in July 1966, the Nation's Governors voted unanimously to accept this invitation, and at the end of the fiscal year, extensive

plans were underway in the islands to host the convention in October 1967.

As these two activities will have resulted in tremendous exposure of the Virgin Islands throughout the mainland, continued inner development and growth was recorded in broad areas of the economy and in insular social services during the year.

Efforts to further diversify the economy saw steady results, and definite inroads were realized in the government's efforts to provide more and better housing, expanded health services, increased classroom space, educational facilities and services, and additional power and water supplies.

A close relationship was maintained between the islands' territorial government and the Congress of the United States, the Department of the Interior, and other Federal agencies that steady, healthy progress continue toward the fulfillment of long-range plans through Federal-insular cooperation.

Efforts Toward Greater Autonomy See Gains

Federal-insular relationships during the year continued to be highlighted by efforts for the passage by the Congress of an Elected Governor Bill for the territory.

Hearings were scheduled by committees in both houses on such a measure, where unqualified endorsements of the Department of the Interior, and the

testimonies of Virgin Islanders were entered into the record.

The bill passed both houses. However, in that differences existed in provisions to be found in the House and Senate versions of the bill, the measure was referred to a conference committee. Because of other pressing legislative matters the bill did not come up for consideration and the measure was once again introduced in the congressional session that began in January 1967.

At the close of fiscal year 1967, a re-introduced Elected Governor Bill for the Virgin Islands was under consideration in both the Senate and the House with eventual passage expected by both bodies in the coming fiscal year.

A bill that increased the number of Virgin Islands Legislators from 11 to 15 was passed by the Congress and signed into law by the President during the year.

This enlarged body took office in January 1967 and overall improvements in legislative procedures were soon noted. Membership on legislative committees was more evenly distributed and workloads for senators proportioned for the effective application of committee duties.

Industrial Development Boosted

A major incentive for selective industrialization in St. Thomas through the establishment of small- and medium-size manufacturing operations occurred during the year when the local government acquired from the Federal Government 196.3 acres of land at the submarine base, portions of which have been earmarked for an industrial park.

The land and improvements were appraised by the General Services Administration at \$3,934,000 and acquisi-

tion accomplished in February 1967 under terms of 10 percent down, with the balance to be paid over a period of 10 years at an interest rate of $4\frac{3}{4}$ percent.

With ownership and management of these properties now in the hands of the Virgin Islands government, plans can now proceed smoothly for industrial development on St. Thomas, utilizing highly suitable sites in the submarine base area.

Due to natural physical advantages, the Island of St. Croix has led over St. Thomas as the center for industrial development in the islands. A leveling off of this situation is now possible through the acquisition of this land and its subsequent development as an industrial area on St. Thomas.

The stabilizing effects on the Virgin Islands economy as a result of the activities of two major industries in operation on St. Croix continued in evidence. More employment opportunities opened up for the island's inhabitants, both within these companies, and within the total labor market that has expanded as a result of such increased industrial activity.

The island's large alumina plant reached full production during the year and the petroleum refinery began operations.

With regards to the latter operation, tremendous economic benefits were foreseeable for the islands should this company be granted a requested increase in its oil importation quota into the United States. At the end of the year the Government cognizant of such benefits, which would amount to \$12,500 per day in royalties paid by the company to the Virgin Islands Treasury, had prepared legislation specifically outlining areas in which such funds would be utilized to assure air and water pollution control, adequate sewage disposal, and proper utiliza-



An aerial view of submarine base, St. Thomas, acquired by the Government of the Virgin Islands from the Federal Government this year. Portions of the land have been earmarked for the development of an industrial park.

tion and development of outdoor recreational areas. Total support from all segments of the Virgin Islands society was extended on behalf of the petroleum company's application for increased quotas before the Oil Import Administration.

Additional benefits possible through this increased quota involve the establishment of satellite industries in St. Croix, based on petrochemical manufacturing.

Utilizing the byproducts of the petroleum operation, these industries would be naturally attracted to establish in the vicinity of the refinery for the manufacturing of plastics and other products, thereby creating still greater economic diversification in the islands.

Bond Financing Increases

The fiscal integrity of the government of the Virgin Islands continued to

receive highly favorable endorsement by banking institutions, both in the islands and on the mainland.

By the end of the year the Government had successfully sold \$5,200,000 in general obligation bonds and \$6,400,000 in interim general obligation and electric revenue bond anticipation notes on the New York market; and interim general obligation bond anticipation notes totaling \$4,515,000 were held by local banks.

Such confidence on the part of financial institutions was particularly in evidence during the year when the largest note sale of the period took place in New York City on May 17. A total of \$6,400,000 in interim bond anticipation notes were purchased at that time by the Chase Manhattan Bank. The sale included \$2,400,000 in water system general obligation bond anticipation notes at an interest rate of 2.55 percent, and \$4,000,000 in electric

revenue bond anticipation notes at an interest rate of 2.98 percent.

The latter represented the first sale of revenue notes, and was authorized by resolution No. 33, adopted by the Governing Board of the Virgin Islands Water and Power Authority on April 14, 1967.

Financial consultants to the government expressed pleasure with the prices obtained on these sales and indications are that such favorable prices will be helpful in obtaining a good interest rate when the revenue bond issue is brought to the market.

Power and Water Developments

With the sale of the Electric System Bond Anticipation Notes, positive efforts were possible toward an extensive program to increase the supply of this public utility in the islands.

A 10,000 kilowatt electric generating unit is currently being installed on St. Croix at a cost of \$2,500,000 and in May 1967 bids were let for a 1 million gallons per day desalting plant which will operate in conjunction with this generating unit. Construction on this \$1,155,990 water unit will begin in October 1967 and is expected to be completed in March 1968.

On St. Thomas work began on a \$6.3 million combination 2.5 million gallons per day desalting plant and 15,000 kilowatt net steam generating plant to be located at Krum Bay.

The first section of the desalting plant will be installed in November 1967 with full commercial operations scheduled for mid-1968. This unit will supplement the two existing desalting plants on St. Thomas which during the year produced a total of 311.8 million gallons of fresh water.

Electrical power output increased significantly during the year. On St. Croix total power production was 50.9 million kilowatt-hour, or 33.24 percent

higher than in the previous year. St. Thomas power production for the same period was 84.8 million kilowatt-hour, or 21.66 percent higher than in fiscal year 1966.

Educational Services Expanded

A crash school building program begun in fiscal year 1966, by the end of the period covered in this report had resulted in the creation of an additional 109 classrooms in the islands.

Major construction work had been completed on two major facilities, the 40-classroom Wayne N. Aspinall Junior High School on St. Thomas, and the 42-classroom Central High School on St. Croix. Both of these schools will admit students in September 1967.

Also completed during the year was the new Tutu Elementary School, a 10-classroom facility designed to serve an area of concentrated development on the eastern end of St. Thomas.

Under the crash school building program, additional classrooms were or are in the process of being added to four schools in St. Thomas. Two classrooms each have been added to the Herrick and Madison Schools, and three at the Jane E. Tuitt School. Construction was nearing completion at the end of the year on a 10-room addition to the Nisky School.

Significant progress was realized in the curriculum and instructional areas of education. In the elementary system, the Grove Place School on St. Croix operated as a demonstration school with a special coordinator assigned from New York University, and a nongraded primary program established at the Lockhart Elementary School on St. Thomas.

On the secondary level, an educational Core Program was introduced into three junior high schools after a

year of planning, orientation of teachers, and final acceptance by the Board of Education.

Of great importance in the Department of Education's achievements during the year were the contributions made under the Elementary and Secondary School Act of 1965, the Office of Economic Opportunity, and other Federal and local agencies. These and other activities within the department are handled more in detail further in this report.

Virgin Islands Higher Education

The College of the Virgin Islands in fiscal year 1967 experienced growth, both in a physical sense and in terms of services offered full- and part-time students, and the Virgin Islands community in general.

The fall enrollment of full-time students numbered 229, an increase of 79 percent over last year. In the Division of Continuing Education 700 were enrolled, an increase of 17 percent over the previous year.

The college's building plans, outlined in the 1966 annual report, have been realized with construction now underway on women's residence halls, a library, and faculty homes. A nursing building will be the next unit constructed under the college's master building plan.

An important development for the college was its assumption of full responsibility for the U.S. Department of Agriculture Federal Extension Service in operation on the Island of St. Croix.

Economic Opportunity Act Programs Expand

Over the course of fiscal year 1967 a total of 18 Economic Opportunity Act and related programs were funded

and in operation in the Virgin Islands.

Administered fully or in part by the Virgin Islands Office of Economic Opportunity, these programs during the year received a total of \$3,074,925 in Federal and local funds.

On out-of-school neighborhood youth corps programs, approximately 600 young persons were served, who were given paid work experiences, remedial and vocational education, and counseling in order to increase their employability or to assist them to resume their education.

Under the in-school neighborhood youth corps program, 365 enrollees benefited through paid work experiences and special counseling designed to assist them to continue in their education. This program was sponsored and administered by the Virgin Islands Department of Health.

A summer headstart program, sponsored by the Virgin Islands Governor's Commission for Human Services, and administered by the Department of Education, saw 500 children enrolled in an 8-week undertaking that provided compensatory education prior to their attending school in the fall.

A 10-month program of compensatory preschool education for disadvantaged children was provided, using public, private, and parochial schools and community centers as classrooms under a full-year headstart program. From this program, 500 children profited.

During the year 50 headstart teachers and aides participated in an "on island" training program and 30 attended a 7-week training session at Wheelock College, Boston, Mass.

A particularly unique VISTA program in operation in the islands saw 36 volunteers serving 270 preschool children, 150 adults, and approximately 100 students in need of special tutoring. Functioning within the neigh-

borhoods of the persons served, these volunteers conducted community development and preschool programs, as well as assisted other programs of the local government designed to combat poverty and further the health, education, and welfare of the territory.

Project Upward Bound, serving high school students from low-income families, and designed to help them finish school and then motivates them on to college, provided a full-time residential summer program at the College of the Virgin Islands. This was followed up by an academic year of Saturday classes and midweek tutorial sessions in addition to their normal studies. This program served 120 students.

Funds were approved during the year for two mobile health clinics, one for St. Thomas and the other for St. Croix, under a health outreach program.

The Virgin Islands Office of Economic Opportunity also provided employment opportunities for needy adults in approximately 68 cases under a work experience program administered by the Department of Social Welfare. Other OEO programs operating during the year were work-study programs, administered by the College of the Virgin Islands; an adult basic education program, administered by the Department of Education; and the Job Corps, which saw 129 young Virgin Islanders enrolled in mainland Job Corps centers acquiring vocational and educational skills.

Gains in Health and Housing

Concentrated concern continued to be applied in areas of health and housing during the year.

Within the Department of Health's operations, important strides were particularly noted on St. Croix. The medical staff at the Charles Harwood

Memorial Hospital was reorganized into services of surgery, medicine, obstetrics, and pediatrics and a chief of each service plus staff assigned.

Work began on a 32-bed addition to this facility in May 1967. This new addition will greatly alleviate congestion and provide space for ancillary services such as a modern physiotherapy department and medical library.

The Division of Public Health, Bureau of Environmental Sanitation, continued its vigorously pursued program to eliminate the *Aedes Aegypti* mosquito in the islands. The index has been markedly reduced, almost to zero in St. Thomas and St. Croix. It is expected that this disease-carrying insect will be eradicated within the year on these two islands as it has now been on St. John.

While the government's efforts over the past 6 years have produced major advances in housing, limited funds have prevented the operation of a larger and still more dynamic program to meet the ever-increasing demands of residents for better living conditions.

The recent introduction of large, low-cost developments by private developers, however, is expected to alleviate the conditions to a great extent.

The government's concerted efforts in these two major areas are described in the more detailed departmental reports to follow.

Economic Growth

All economic indicators during the year showed continuing upward growth, with employment opportunities expanding, government revenues increasing, per capita income remaining on a healthy level, and tourist derived dollars again setting alltime records.



Under the Virgin Islands Department of Housing and Community Renewal insular financed public housing programs see the development of such emergency units as this one located in hospital grounds, St. Thomas.

Tourist expenditures reached \$75 million during the year as compared with \$59 million in fiscal year 1966. A meaningful indication of the vitality and stability of the economy is seen in the continued expansion of banking activities by leading national and international institutions. During the fiscal year, First National City Bank of New York supplemented its St. Croix operation with a branch in St. Thomas and Barclays Bank D.C.O. of London, licensed to do business in fiscal year 1966, went into full operation in the islands.

Further on the banking scene, major construction was begun on new office buildings by the Virgin Islands National Bank and Barclays Bank D.C.O., on Veterans Drive in St. Thomas, thereby increasing overall

land values in the area, as well as adding greatly to the physical appearance of the waterfront.

Tourism Development

The evergrowing demands upon public services and facilities are yearly compounded by increasing numbers of tourists visiting the islands. During fiscal year 1967, a total of 649,652 visitors came to St. Thomas, St. Croix, and St. John, graphically attesting to the growing popularity of the Virgin Islands with vacationers.

To further stimulate such visitations, the Department of Commerce strengthened its promotional efforts in many areas, both through media advertising, and person-to-person contacts with travel interest groups.

On the hotel and resort scene, a major 150-room waterfront hotel opened for business in St. Thomas and preliminary plans are being formulated for an additional luxury-type resort facility on St. Croix.

St. John National Park continued to enjoy year-round full bookings at its campsite on Cinnamon Bay, and St. Croix's 18-hole championship Fountain Valley Golf Course saw increasing numbers of players from the mainland, Puerto Rico, and the islands.

Precustoms clearance became a reality in the Virgin Islands during the year with the opening of a customs facility at the Alexander Hamilton Airport on St. Croix for the convenience of travellers returning to the mainland. Quick and expedient precustoms clearance is now possible for the islands' visitors returning to New York City on direct flights from St. Thomas and St. Croix.

Additional Air Service Realized

The government of the Virgin Islands in fiscal year 1967, intensified its efforts to see the further expansion of air service into the islands. In briefs filed before the Civil Aeronautics Board in Washington, the government has gone on record in support of its long-standing position that the islands are in growing need of additional and expanded routes from the U.S. mainland.

The government in the previous fiscal period had supported the petition of Pan American World Airways to be allowed to start turnaround service in the Virgin Islands and this request was granted by the Civil Aeronautics Board. That such service would meet a definite travel demand was exemplified during fiscal year 1967 through the fact that Pan American increased significantly the number of direct jet

flights into St. Thomas and St. Croix from New York City.

To better facilitate landings and takeoffs for these jet aircraft improvements were made to the runway and approaches at the Harry S. Truman Airport on St. Thomas. This involved extending the runway to the west and removing portions of a hill on the eastern end of the airport.

While Pan American Airways service into the islands is a step in the desired direction, the territory would like to see in air travel into and from the islands, the government during the year continued in its quest for ultimate service by supporting Eastern Airlines and Trans Caribbean requests to service St. Thomas and St. Croix.

Further to protect the competitive tourism position of the Virgin Islands the government continued to formulate plans for the development of a new airport for St. Thomas capable of accommodating the larger jet planes of the near future. At the end of the fiscal period, a feasibility study had been completed by consultant engineers for this facility.

Sights on the Future

As fiscal year 1967 ended, the Government of the Virgin Islands was well at work on programs, projects, and plans designed to fulfill needs of the far-reaching future. As formulations for an up-to-date airport for St. Thomas proceeded into the planning phase, so were other efforts reaching the incubation stages. Long-range efforts toward the creation of multimillion-dollar health centers on St. Thomas and St. Croix proceeded on schedule, and preliminary plans instituted toward effective air and water pollution controls.

On-the-scene efforts in Washington were offered by Government officials

and consultants to assure the Virgin Islands inclusion in federally sponsored educational television legislation. Further, by maintaining close Federal relations, the islands very early in the program had submitted applications for planning grants that established a Virgin Islands Arts Council program.

The Government is maintaining a close watch on trends in tourism and how the travel patterns of vacationers may change in the coming future. In this respect, future vacation travel may very well see the full development of combination air-sea trips in the Caribbean with a particular area serving as the beginning and terminal point for such package arrangements. The Virgin Islands are highly suitable for such a travel center and long-range plan-

ning keeps this eventuality in mind.

As the islands continued to draw greater numbers of visitors from the United States mainland, and increasing numbers from Canada, so too have the attractions of St. Thomas, St. Croix, and St. John come to the attention of Europeans, Africans, and Asians through the U.S. Department of State's foreign visitor programs.

As active participants in these programs, the islands during the year hosted a considerable number of foreign dignitaries. The government continues to take pride in its contributions in this area and appreciates this opportunity of presenting to these foreign dignitaries a picture of American democracy as it exists under the Virgin Islands way of life.



A young Charlotte Amalie High School artist shows her paintings in a Department of Education sponsored islandwide exhibit. Creative expression is being encouraged in all of the arts through programs fostered by the Department of Education and the Virgin Islands Council on the Arts.

Legislation

During the fiscal year ending June 30, 1967, there were four sessions of the sixth legislature and three sessions of the seventh legislature as follows:

Sixth Legislature, Fifth Special Session, August 13, 1966.—Two bills and four resolutions were proposed. One bill and three resolutions were adopted. One bill was not considered and one resolution was referred to committee. One bill was approved by the Governor. The resolution did not require executive action.

Sixth Legislature, Sixth Special Session, August 24, 1966.—Eleven bills and two resolutions were proposed. Ten bills and two resolutions were adopted. One bill was not considered. Ten bills were approved by the Governor. The resolutions did not require executive action.

Sixth Legislature, Seventh Special Session, September 9, 1966.—Four bills and one resolution were proposed. Four bills and three resolutions were proposed. Twelve bills and three resolutions were adopted. Twelve bills were approved by the Governor. The resolutions did not require executive action.

Sixth Legislature, Eighth Special Session, December 1, 1966.—Twelve bills and three resolutions were proposed. Twelve bills and three resolutions were adopted. Twelve bills were approved by the Governor. The resolutions did not require executive action.

Seventh Legislature, Regular Session, January 16, 1967–March 16,

1967.—One hundred seventy-eight bills and twenty-three resolutions were proposed. One hundred thirty-three bills and twenty-one resolutions were adopted. Two bills were withdrawn and one resolution recalled. Twenty bills were dropped and twenty-three referred for further study. The Governor approved one hundred sixteen bills and vetoed seventeen.

The resolutions required no executive action.

Seventh Legislature, First Special Session, April 17–19, 1967.—Fifty-one bills and seven resolutions were proposed. Fifty bills and seven resolutions were adopted. One bill was referred to committee. The Governor approved forty-four bills and vetoed six. The resolutions required no executive action.

Seventh Legislature, Second Special Session.—Forty-nine bills and six resolutions were proposed. Forty-four bills and five resolutions were adopted. Five bills and one resolution were dropped. Forty-eight bills were approved by the Governor. The resolutions did not require executive action.

In addition to the major budgets, the following are the most significant acts adopted during the year:

To Provide for the Date of Primary Elections and the Filing of Nominations in the Year 1966.

To Provide Assistance to Livestock Raisers, and for Other Purposes.

To Amend Title 18 of the Virgin Islands Code Relating to Elections.

To defer the Application of Penalties on 1965 Real Property Taxes.

To Authorize the Governor To Conduct Negotiations for the Acquisition of Certain Lands at Estate Concordia, Fredericksted, St. Croix.

To Authorize the Issuance of Additional General Obligation Bonds or Other Evidences of Indebtedness for the Construction, Improvement, Extension, Betterment, Repair, Reconstruction, Acquisition, and Equipment of Water Systems and To Amend Act No. 1259, Approved October 20, 1964, as Amended.

To Authorize the Purchase of Certain Lands at Estate Honduras, St. Thomas, To Authorize Appropriations Therefor, and for Other Purposes.

To Authorize the Governor of the Virgin Islands To Execute a Certain Supplemental Agreement to "Agreement Between the Government of the Virgin Islands and Hess Oil Virgin Islands Corporation, Relating to the Construction of an Oil Refinery and Other Related Facilities in St. Croix, Virgin Islands." Dated September 1, 1965.

To Provide for the Number of Polling Places for the 1966 Primary Election, and for Other Purposes.

To Repeal the Provisions of Section 310 of Title 17 of the Virgin Islands Code Relating to the Limitation on the Number of Veterans Granted Assistance Under the Provisions of Title 17.

To Amend Act No. 1251 Relating to the Acquisition of the Electric Power and Water Systems of the Virgin Islands.

To provide Appropriations for the Semicentennial Year Including the Governor's Conference in the Virgin Islands.

To Amend Act No. 1665, Relating to the Construction of Camping Facilities for the Peace Corps.

To Amend Section 106 of Act No. 1248 To Increase the Revenue Bond Financing Authorization for the Virgin Islands Water and Power Authority.

To Amend Act No. 1259, Approved October 30, 1964, as Amended, Relating to Issuance of General Obligations Bonds for Certain Purposes.

To Authorize the Governor to Negotiate for the Purchase and Installation of Water Storage Tanks in St. Croix and St. Thomas.

To Provide for a Commission on the Reapportionment of the Legislature of the Virgin Islands, and for Other Purposes.

To Repeal Certain Provisions of Chapter 9, Title 33 of the Virgin Islands Code, Relating to Production Taxes on Watches, Clocks, and Timing Apparatus Manufactured in the Virgin Islands, and for Other Purposes.

To Amend the Provisions of Section 502(b) of Title 33 of the Virgin Islands Code Relating to Woolen Yard Goods.

To Facilitate Mortgage Financing in the Virgin Islands, and for Other Purposes.

To Amend Section 46, Title 17 of the Virgin Islands Code, Relating to the High School Equivalency Program.

To Amend Section 106 of Act 1248, to Increase the Revenue Bond Financing Authority of the Virgin Islands Water and Power Authority.

To Amend the Provisions of Title 4, Chapter 7 of the Virgin Islands Code Relating to the Small Claims Division of the Municipal Court.

To Amend Section 51 of Title 1, Virgin Islands Code Relating to the Severability of the Provisions of the Laws of the Virgin Islands.

To Designate the Commissioner of Agriculture as the Territorial Forester of the Virgin Islands, to Accept the Provisions of Certain Federal Acts Pertaining to Forests and Forestry, and for Other Purposes.

An Act to Amend 3 Virgin Islands Code, Section 551, Schedule III, Virgin Islands Code, Relating to Salary Schedule for Professional Personnel in the Department of Education.

To Amend Section 74 of Title 4, and Section 109 of Title 16, Virgin Islands Code, Relating to the Enforcement of Support Provisions in Any Decrees of Separation or Divorce.

To Provide for the Care, Custody, Preservation and Disposition of Public Records, and for Other Purposes.

Act to Authorize the Governor to Effect an Exchange of Land for Purposes of Correcting an Encroachment, Preserving an Historical Site, and Providing the Community with Control over the Watertut Entrance to the Bay at Christianssted.

To Provide for the Implementation of the Report on Sewerage and Sewage Treatment (CDM-389-1) Submitted by Camp, Dresser, and McKee, Consulting Engineers, and for Other Purposes.

To Provide an Appropriation From the Special Airport Fund for the Development, Improvement, Operation, and Maintenance of Public Airports in the Virgin Islands for the Fiscal Year July 1, 1966 to June 30, 1967.

To Add A New Chapter 15 to Title 23, Virgin Islands Code, Relating to the Establishment of a Police Cadet Corps, and for Other Purposes.

To Provide for a Comprehensive Survey and Analysis of the Government Personnel System, and for Other Purposes.

To Authorize the Designation of

Deputy Marshals To Enforce the Collection of Delinquent Real Property Taxes.

To Establish the Morris F. deCastro Chair in Government at the College of the Virgin Islands, and for Other Purposes.

To Amend the Provisions of Title 5, of the Virgin Islands Code Relating to The Employment and Eligibility for Parole of Prisoners, and the Apprehension of Parole Violators.

To Amend Section 551 of Title 3 of the Virgin Islands Code, With Respect to Minimum Salaries for Professional Employees of the Department of Education.

To Provide for a Feasibility Study for the Development of Coral Bay Harbor, St. John, and for Other Purposes.

To Amend Certain Provisions of Title 20, Virgin Islands Code, Relating to Motor Vehicles.

To Authorize the Governor To Execute an Amendment to a Certain Supplemental Agreement With Hess Oil Virgin Islands Corp., Pursuant to Act No. 1817, Approved September 13, 1966.

To Amend Certain Provisions of Title 3, 4, and 33 of the Virgin Islands Code, To Provide for a Reorganization of the Office of the Marshal of the Municipal Court of the Virgin Islands, and for Other Purposes.

To Amend the Provisions of Section 282 of Title 19, the Virgin Islands Code, Relating to Housing Accommodations for Resident Physicians and Nurses.

To Authorize the Governor to Execute an Amendment to the Agreement of April 1, 1964, between the Government of the Virgin Islands and Hans Lollik Corp., Relating to the Construction of a Hotel, Marina, Housing Project, and Other Related Facilities and for Other Purposes.

To Authorize the Virgin Islands Board of Education To Make a Special Investigation and Study of Certain Problems in the Public Schools.

To Authorize the Virgin Islands Board of Education To Make a Study of Special Education and Technical Needs Which Are Essential To Supply the Knowledge and Skills Required by Government and Private Enterprise, To Recommend Special Scholarship Programs To Fill these Needs, and for Other Purposes.

To Provide an Appropriation for a Sewerage Treatment Unit in the Public Works Area at Anna's Hope, St. Croix.

To Provide for the Licensing and Regulation of Real Estate Brokers and Real Estate Salesmen, and for Other Purposes.

To Authorize the Borrowing of Funds From the Reserves of the Employees Retirement System for the Purpose of Moderate Income Housing, To Provide for Adequate Security and for Other Purposes.

Act To Authorize the Purchase of Approximately 9.95 Acres of Land at King's Hill on the Islands of St. Croix From the United States of America for the Purpose of Constructing Thereon a Low-Rent Public Housing Project.

To Provide for The acceleration of the Day-Care Center and Subsidy Program Authorized in Section 19. Title 34, Virgin Islands Code, and for Other Purposes.

To Establish the Pollyberg Community Development in St. Thomas, Virgin Islands, and for Other Purposes.

To Amend Act No. 1002, Approved March 26, 1963, To Provide for the Preparation of a Master Recording of the "Virgin Islands March," and "Governor's Own," and To Provide an Appropriation Therefor.

To Provide Two Associate Commissioners in the Department of Education and for Other Purposes.

To Provide Relief for the Rum-Producing Industry in the Virgin Islands, To Establish for Said Purpose the "Emergency Molasses Fund," and Establish the Policy and Regulations for Administration of the Said Fund, and for Other Purposes.

To Provide for the approval of Grants to Students Enrolled in the Practical Nursing Training Program, To Make an Appropriation Therefor and for Other Purposes.

To Establish a Virgin Islands Day in the Continental United States, and for Other Purposes.

To Authorize the Department of Public Works to Provide for a Study of a Modern Street-Lighting System for the Virgin Islands, and for Other Purposes.

To Provide Home-Care Service for Aged-Indigent Senior Citizens, and for Other Purposes.

To Provide for the Improvement of John Brewer's Bay as a Public Beach, and for Other Purposes.

To Establish a Special Temporary Legislative Committee To Study and To Recommend Alterations in the Pay Plan for Employees of the Department of Health, of Education, and of Public Safety, and for Other Purposes.

To Provide for a Comprehensive Program of Recreation Development and for Other Purposes.

To Authorize the Department of Public Safety To Employ Women as School-Crossing Guards During Appropriate Periods of School Days and for Other Purposes.

To Authorize Study Leave for Government Employees.

To Authorize the Governor To Enter into a Certain Agreement With the International Association of Chiefs of Police, Inc., for a Survey of the Police Division of the Department of Public Safety.

To Amend Section 1 of Act No. 1820 Relating to the Acquisition of the Elec-

tric Power and Water Distillation Systems of the Virgin Islands Corp.

To Amend Section 3304, Title 33 of the Virgin Islands Code, Relating to Collateral in Lieu of Depositing Bonds To Secure Government Funds.

To Extend the Termination Date for Programs Under Act No. 1575 Relating to Mental Retardation.

To Authorize the Governor To Enter Into Certain Agreement with Respect to the Acquisition or Management of Certain Federal Properties in the Virgin Islands, To Provide for the Protection, Maintenance and Management of such Properties and for Other Purposes.

To Increase the Authorized Number of Notaries Public.

To Extend the Termination Date of Chapter 3, Title 33, of the Virgin Islands Code Relating to Excise Taxes, Gross Receipts Taxes, and Wharfage and Docking Fees.

To Authorise the Control, Prevention, and Abatement of Air Pollution in the Virgin Islands.

To Amend Subtitle 4, Chapter 201, Title 33 of the Virgin Islands Code, Relating to the Incentive Program.

To Amend Section 3503, Title 5, of the Virgin Islands Code relating to Adequate Representation of Defendants.

To Remove Termination Date with Respect to the Approval of the Official Zoning Maps for the Islands of St. Thomas, St. John, and St. Croix.

To Authorize the Control, Prevention, and Abatement of Pollution of Surface and Underground Waters of the Virgin Islands.

To Revise the Procedures for the

Licensing of Businesses, Professions, Occupations, and Trades in the Virgin Islands, and for Other Purposes.

To Direct the Boards of Elections To Conduct a Checkup of Each Registered Elector in Their Respective Legislative Districts Pursuant to the Provisions of Section 110, Chapter 5, Title 18, Virgin Islands Code, In Order To Correct the General Registers, and for Other Purposes.

To Amend Chapter 17 of Title 3 of the Virgin Islands Code Relating to the Government Retirement System.

To Amend Act No. 1991, approved June 6, 1967, Relating to Licensing of Businesses, Professions, Occupations, and Trades in the Virgin Islands.

To Amend Chapter 25, Title 3 of the Virgin Islands Code, Relating to the Personnel Merit System.

To Amend Act No. 1259, approved October 30, 1964 as amended, Relating to the Issuance of General Obligation Bonds for Certain Purposes.

To Establish the Office of Civil Defense Within the Office of the Governor.

To Authorize the Commissioner of Finance To Make Refunds of Certain Real Property Tax Payments for 1963, and for Other Purposes.

To Amend Chapter 201, Title 33 of the Virgin Islands Code, Relating to the Industrial Incentive Program To Provide Certain Benefits for Contractors Constructing Housing for Low-Income and Moderate-Income Persons and Families, and for the Elderly.

To Authorize the Governor To Make an In-Depth Study of the Personnel Management of the Virgin Islands.

Virgin Islands Water and Power Authority

Personnel: 251

Budget: \$2,534,000

Since the acquisition of power and water facilities from the Virgin Islands Corp. on June 1, 1965, the Virgin Islands Water and Power Authority has undertaken an extensive program to increase the supply of these public utilities in the islands.

Final negotiations for the sale took place on April 18, 1967, and the authority is now in full possession of all of these facilities and properties at a total cost of \$9,500,000.

During fiscal year 1967, outside consultants completed a personnel and organization survey for the authority. This study includes analyses of job and personnel evaluations, as well as of salaries and wages, and the development of continuing personnel review and training programs.

Highlighting fiscal developments during the year was the authority's public sale of electric system bond anticipation notes in the amount of \$4 million. An award was made to the Chase Manhattan bank at an annual interest rate of 2.98 percent on May 17, 1967.

To effect more efficient operations, the authority centralized its executive office and the St. Thomas administrative and cashier offices in one building. To provide centralized customer service on St. Croix the authority began remodeling an existing structure that will accommodate the administrative and cashier offices. Approximately 3.4 acres of land adjacent to the authority's property on St. Croix were purchased for expansion purposes.

At the end of the year a total of 16,592 electric customers was serviced, of which 9,216 were on St. Thomas-St. John, and 7,376 on St. Croix.

Peak electric demand on St. Croix, excluding station service, increased approximately 21.5 percent. The St. Thomas growth rate is approximately 20 percent a year, excluding station service.

The following chart reflects billings by the authority for fiscal years 1966-67:

	1966		1967	
	St. Thomas	St. Croix	St. Thomas	St. Croix
Residential.....	83,218	63,171	91,211	69,788
Commercial.....	12,234	12,441	13,011	13,679
Large power.....	984	863	1,329	1,159

An additional 13.2-kilovolt feeder is under construction on St. Croix, to supplement the three existing 13.2-kilovolt primary feeders on that island. Six 4.16-kilovolt feeders are located on St. Thomas in the vicinity of the existing power plant, and four 13.2-kilovolt units service downtown Charlotte Amalie, most rural areas, and the island of St. John. St. John is connected to the authority's distribution system by 2½ miles of submarine cable and approximately 10 miles of overhead pole lines.

One hundred sixty-seven new mercury streetlights were installed and 2,704 customer meters provided in the islands during the period covered by this report.

During the same period, 32 miles of lines were installed on St. Croix and 26.9 miles of lines on St. Thomas. Transformer capacity was increased in St. Thomas by 5,548 kilovolt-amperes and in St. Croix by 5,444 kilovolt-amperes.

A shortwave communications system was inaugurated connecting St. Thomas, St. Croix, and St. John with mobile units. This system has greatly increased the efficiency of the authority by providing a communications link whereby contact is easily maintained between the two main offices and emergency mobile units. A total of six fixed units and 19 mobile units are in operation in the islands to date.

In fiscal year 1967, the total power production on St. Croix was 50.9 million kilowatt-hours, or 33.24 percent higher than in the previous year. St. Thomas power production for the same period was 84.8 million kilowatt-hours, or 21.66 percent higher than in the previous year.

The two salt water distillation plants on St. Thomas produced a total of 311.8 million gallons of fresh water during the year. Of this total amount

280.5 million gallons were sold to the Department of Public Works for use in its public distribution system. This represents 153.4 million gallons more than was sold in 1966.

The two salt water distillation plants on St. Thomas are designed to produce a total of 1,250,000 gallons of fresh water per day. The Westinghouse plant, completed in 1966, has not produced at its designed capacity of 1 million gallons per day, however. Negotiations are underway whereby Westinghouse is to build a new evaporator unit to replace the existing one, thereby guaranteeing a continued production of 1 million gallons of fresh water per day. This work is expected to begin in August 1967, and completed within 1 month's time.

Electric Facilities

St. Thomas:	Kilo-watts
Unit No. 1 diesel.....	600
Unit No. 2 diesel.....	600
Unit No. 3 diesel.....	2, 500
Unit No. 4 diesel.....	600
Unit No. 5 diesel.....	750
Unit No. 6 diesel.....	1, 250
Unit No. 7 steam.....	3, 000
Unit No. 8 steam.....	3, 000
Unit No. 9 steam.....	7, 000
<hr/>	
Total kilowatts available on St. Thomas.....	19, 300

The Water and Power Authority has placed a \$6.3 million order for a combination 2.5 million gallons per day desalinization plant and a 15,000-kilowatt net steam generating plant to be located in Krum Bay, St. Thomas. The contract was awarded to the Baldwin-Lima-Hamilton Corp. of Philadelphia, Pa., a subsidiary of Armour & Co., of Chicago, Ill., and to the International General Electric Co. The first section of the desalination plant will be shipped in November 1967, with full commercial operation scheduled to begin in mid-1968.

A 2,000-kilowatt portable electric generating unit was purchased from

the Worthington Corp. of Harrison, N.J., and scheduled for delivery in August 1967. This \$199,000 portable skid-mounted unit will be available for transport from island to island when emergencies occur.

The authority repaired three 600-kilowatt diesel generators which had been out of service for several years in order to meet fiscal year 1968 peak loads. This repair work is expected to be completed between October and December of fiscal year 1968, and the units are included in the above capacity tabulations for St. Thomas.

	<i>Kilowatts</i>
St. Croix:	
Unit No. 1 diesel.....	429
Unit No. 2 diesel.....	432
Unit No. 3 diesel.....	248
Unit No. 4 diesel.....	1,000
Unit No. 5 diesel.....	965
Unit No. 6 diesel.....	750
Unit No. 7 diesel.....	2,216
Unit No. 8 diesel.....	2,400
Unit No. 9 diesel.....	1,000
<hr/>	
Total kw available on St. Croix.....	9,242

A 10,000-kilowatt electric generating unit is currently being installed by the Worthington Corp. on St. Croix.

This unit will be completed late in calendar year 1967 at a cost of \$2,500,000.

To meet the need for adequate water supply in St. Croix, bids were let in May 1967 for a 1-million-gallon-per-day water desalinization plant for that island. This will be built in conjunction with the Worthington plant now under construction. The successful bidder on this unit was the Stearns-Roger Corp. of Denver, Colo., at a lump-sum bid of \$1,155,990. Construction on this unit will begin in October 1967, and is expected to be completed in March 1968.

Because of the limited generating capacity on St. Croix, an agreement was entered into on May 26, 1966, between Harvey Alumina Virgin Islands, Inc., and the Virgin Islands Water and Power Authority for the interchange of electric power.

For the fiscal year, total power revenues stood at \$4,510,092, as compared with \$3,702,691 for fiscal year 1966. Water sales amounted to \$490,835 for fiscal year 1967, as compared with \$181,076 for the previous year.

Virgin Islands Airport and Industrial Resources Agency

Personnel: 152

The Virgin Islands Airport and Industrial Resources Agency functions within the Office of the Governor and is responsible for the administration, operation, and maintenance of the Harry S. Truman Airport, Bourne Field housing, Lindbergh Beach, Bourne Field commercial properties, subbase commercial and industrial properties, piers and docks, and the Crown Bay fill in St. Thomas, and the Alexander Hamilton Airport and former Vicorp properties in St. Croix. In addition, the Agency oversees the operations of the Antilles Air Boats at the Charlotte Amalie bulkhead.

The most significant occurrence of the fiscal year was the transfer of 196.3 acres of land at the submarine base on St. Thomas together with all improvements from the Federal Government to the government of the Virgin Islands. The land and improvements were appraised by the General Services Administration at \$3,934,000. Acquisition was accomplished under terms of 10 percent down, with the balance to be paid over a period of 10 years at an interest rate of 4¾ percent. The transaction took place February 28, 1967.

The former UDT (Underwater Demolition Team) properties comprised of 33.32 acres were made

Operating Appropriation: \$790,314.78

available to the local government on September 1, 1966, under a 30-day revocable permit from the Navy. The most important structures on the property consist of a three-story building now housing several government or government-related agencies, a warehouse building which now provides storage space for local merchants, and three piers. It is expected that ownership soon will be transferred to the Virgin Islands government.

Bourne Field revenues are derived from 57 low-cost housing units, 23 commercial rentals, four hotels, four airport concessions, beach fees, 10 airlines and air taxis, five tour services, and other fees collected from aircraft operation at the airport.

Harry S. Truman Airport

As traffic continues to increase at a tremendous rate at the Harry S. Truman Airport, total number of passengers arriving during the fiscal year came to 426,118 compared to 339,667 arrivals during the previous 12-month period.

Establishment of a fix-base operation, which now provides refueling, maintenance, repairs, servicing, storage ground services, flight instruction, and sales of aircraft parts, has stimulated

interest in aviation locally and has encouraged private and co-operate aircraft to land at the airport.

Two major construction projects were completed at the airport during the fiscal year. The first consisted of the removal of more than 61,000 cubic yards of material from Sara Hill, at the east end of the airport runway, and more than 97,000 cubic yards of hydraulic fill from Crown Bay, and depositing the material at the western end to permit a runway extension of 450 feet.

A new ambulance was obtained during the year, along with new safety equipment for the airport firemen. Other new equipment acquired included apparatus to correct problems with the drinking water, an emergency generator for the first floor of the terminal building, sanitary garbage receptacles, and a fogging machine to exterminate insects which periodically swarm the airport.

On November 28, 1966, ground was broken for the new wing at the eastern end of the terminal building to house the Customs, Immigration, and Public Health Offices. The building, consisting of 7,200 square feet, is used for preclearance operations.

Industrial Park-Crown Bay Sub Base

Sub Base covers 197 acres, plus about 33.32 acres of UDT land which is in the process of being transferred to the government of the Virgin Islands. Of the 197 acres, it is estimated that about 75 acres are usable for industrial purposes. All 33.32 acres of UDT land are usable, and the Crown Bay fill area will add about 15 acres, making a total of about 108 acres usable.

Crown Bay fill affords an expanse of nearly flat, open land, whereas flat land

in Sub Base is scattered and occurs in oddly shaped parcels which skirt hills with elevations ranging from 135 to 325 feet. An attempt is being made by the Agency to provide space for nearly all applicants for industrial sites to date, resulting at this early stage in the preliminary allocation of almost all land which is reasonably well suited for industrial use.

The lengthened runway, coupled with the changed contour of Sara Hill, now permits the Boeing 727 aircraft to operate at a full-passenger capacity on the second—St. Thomas to St. Croix—leg of its triangular service from New York. The project was completed at a cost of \$479,062, of which \$300,000 was provided by Pan American World Airways in the form of advance surcharge fees assessed against all aircraft in excess of 53,500 pounds gross certificated landing weight.

The second project was a major reconstruction of the runways and taxiways at the Harry S. Truman Airport. The work included paving, drainage installations, and painting. The Federal Government provided \$779,475 of the \$1,159,036 total cost under the Federal aid to airports program.

Alexander Hamilton Airport

A comprehensive program of repairs at the Alexander Hamilton Airport was completed in April 1967, at a cost of \$1,350,000 with the Federal Government contributing \$864,575. Several interior sections of the airport were refurbished and a new taxistand was completed in front of the western end of the terminal building.

The Flamboyant Race Track was modernized and a new racing program inaugurated. A full-scale beautification program is being advanced with the help of the Department of Agri-

culture. It consists of land clearing and decorative planting on the racetrack and south of the terminal building area, continuing to the beach area.

During fiscal year 1967, revenues of \$210,362 were collected, and \$14,110.13 in accounts receivable were recorded, for a total revenue of

\$22,472.13 from the Sub Base properties.

There are now 66 lessees and permittees in the Sub Base area. Once the engineering is completed, it is expected that the number of activities operating from the Crown Bay-Sub Base areas will double.

FINANCIAL SUMMARY

Revenues:	
Fund 525-S.B. (Sub Base and related facilities).....	\$246, 871. 85
Fund 529-B.F. (Bourne Field and related facilities).....	423, 442. 93
Legislative appropriation (Act No. 1859).....	20, 000. 00
Legislative appropriation (Act No. 1859).....	100, 000. 00
Total revenues.....	<u>790, 314. 78</u>
Expenditures:	
Fund 525-S.B. (revolving fund).....	311, 428. 94
Fund 529-B.F. (revolving fund).....	<u>412, 703. 26</u>
Total expenditures.....	724, 132. 20
Outstanding obligations.....	<u>39, 126. 05</u>
Total.....	<u>763, 258. 25</u>
Revenues.....	<u>790, 314. 78</u>
Expenditures.....	<u>763, 258. 25</u>
Surplus.....	<u>27, 056. 53</u>
Alexander Hamilton Airport revenues.....	150, 008. 00
Alexander Hamilton expenditures (airport).....	<u>331, 312. 00</u>

Public Utilities Commission

Personnel: 3

The Virgin Islands Public Utilities Commission in fiscal year 1967 continued in its efforts to maintain thorough examinations of all utilities subject to its regulations. The terms of two member commissioners expired during the year. One was reappointed, and a new member named to the commission.

The commission's membership within the National Association of Railroad and Utilities Commissioners became more closely knitted through a regional affiliation with the Great Lakes Conference of Public Utilities Commissioners.

Shipping

The West Indian Co. reported a stable year with a minor drop in gross tonnage. A \$14,000 decrease was noted by the company in the cargo handling base rate figure, and the commission was petitioned for a 25-percent reduction in cargo-handling rates for certain cargoes in hopes that this would result in an increase of tonnage. It is expected that the West Indian Co. will request a general rate increase in the coming fiscal year.

A similar situation existed with regards to the deepwater port of Frederiksted, St. Croix. There, Cargo Services Inc., reported a 15-20-percent tonnage reduction over the previous fiscal year. This was occasioned pri-

Operating Appropriation: \$47,000

marily by Hess Oil cargo being handled at the Krause Lagoon facility, which is not within the jurisdiction of the commission. This reported reduction can also be attributed to the expanded activities of minor cargo handlers.

Telephone Service

The Virgin Islands Telephone Corp. (Vitelco), has grown from a limited manual system serving 3,000 subscribers in 1959 to modernized electronic operation that provides service to 12,000 customers.

Telephone surveys indicate that the coming fiscal year will experience a 20-percent increase in service requests. The commission has concluded that sufficient time has been granted Vitelco to formulate and implement long-range plans that it keep up with the growing demands placed upon the islands' telephone system. The commission during the year retained the services of legal and engineering consultants to explore measures whereby Vitelco may provide its subscribers with adequate service.

Virgin Isle Communications

The interconnection agreement of 1966 between Virgin Isle Communications (Vicom) and Virgin Islands Telephone Corp. (Vitelco), continued in effect in fiscal year 1967. The ques-

tion of a local forum had not been settled at the end of the year, however. The matter will again come under consideration when Vicom files for a contemplated increase in rates in the coming year. Should the company apply to the Federal Communications Commission, the commission may possibly consider itself a local forum in which case the FCC may be required to relinquish regulatory jurisdiction over Vicom.

Passenger Bus Service

The Commission continued its close surveillance of passenger bus service utilities which resulted in certain irregularities in routing being corrected. Authorized bus stops are now identified and strict adherence to franchises is being effected on all islands. During fiscal year 1968, all passenger bus utilities will be subject to thorough audits, and governing rules and regulations affecting these services will be updated.

Bond Issue and Interim Financing

The confidence expressed by banking institutions and the general public in the fiscal integrity of the government of the Virgin Islands since its initial entry into the national money market reflects a national recognition of the present economic growth and development potential of the territory.

Since November 1963, when Public Law 180 was passed, giving the Virgin Islands government authority to finance such essential public improvements as schools, hospitals, water systems, sewers, and sewage plants by the issuance of general obligation bonds, the legislature of the Virgin Islands has authorized general obligation bond issues totaling \$13,267,000. Under similar congressional authority, a total of \$25 million in revenue bond issues has been authorized by the legislature for water and power purposes.

By the end of June, 1967 the government had successfully sold \$5,200,000 in general obligation bonds and \$6,400,000 in interim general obligation and electric revenue bond anticipation notes on the New York market; and interim general obligation bond anticipation notes totaling \$4,515,000 were held by local banks.

On December 29, 1966 the government renewed the \$1,260,000 bond anticipation notes for water systems and the \$1,200,000 bond anticipation

notes for hospital and school purposes which would have matured on December 31, 1966. The new interim notes were bought in equal portions by the Chase Manhattan Bank and the Virgin Islands National Bank at a rate of 4½ percent. These notes will mature on December 31, 1967.

The government issued \$300,000 in 4 percent bond anticipation notes to the Chase Manhattan Bank and the Virgin Islands National Bank in equal shares for hospital purposes on February 9, 1967. These notes mature on December 31, 1967.

For water systems \$900,000 in 4½ percent bond anticipation notes were issued on September 19, 1966, with a maturity date of September 19, 1967; and \$855,000 in 4 percent notes were issued on April 4, 1967, to mature on December 31, 1967. As in the previous issues, these note sales were shared equally by the Chase Manhattan Bank and the Virgin Islands National Bank.

The largest note sale of the year took place in New York City on May 17, 1967 when \$6,400,000 in interim bond anticipation notes were sold to the Chase Manhattan Bank. This sale, to provide financing for the Virgin Islands Water and Power Authority, was handled by the firm of Wainwright & Ramsey, Inc., financial consultants to the government, and the

legal services were performed by the firm of Hawkins, Delafield & Wood, bond counsel to the government.

The sale included \$2,400,000 in water system general obligation bond anticipation notes and \$4 million in electric revenue bond anticipation notes. The sale of the electric revenue notes, the first sale of revenue notes, was authorized by resolution No. 33, adopted by the Governing Board of the Virgin Islands Water and Power Authority on April 14, 1967.

On May 8, 1967, notices of sale of the water system and revenue notes were issued. The opening of bids took place in the office of Wainwright & Ramsey on May 17, 1967 at 11 a.m. Two bids were received for the purchase of the \$4 million electric revenue notes, and seven bids were received for

the \$2,400,000 water system general obligation notes.

The governing board of the Virgin Islands Water and Power Authority was advised of the bids by the bond counsel by telephone at 11:20 a.m. Upon the recommenadtion of the financial consultants the board accepted the bid of 2.98 percent with a premium of \$40 by the Chase Manhattan Bank for the electric revenue bond anticipation notes, and the Governor, on behalf of the government of the Virgin Islands, accepted the bid of 2.55 percent with a premium of \$24 by the same bank for the water system general obligation bond anticipation notes.

The second bid for the electric revenue notes was 3.75 percent by John Nuveen & Co., Inc.; other bids for the water system notes were as follows:

Bidder	Rate (percent)	Premium
John Nuveen & Co., Inc.....	2.74	\$27
White, Weld & Co.....	2.80	241
Bank of America.....	2.87	80
Chemical Bank New York Trust Co.....	3.35	.....
Morgan Guaranty-Salomon Bros. & Hutzler.....	3.50	11
First National City Bank.....	4.00	.....

The financial consultants were pleased with prices obtained on these sales and expressed their belief that they will be helpful in obtaining a good interest rate when the revenue bond issue is brought to market.

The notes are due on December 31, 1967.

It is anticipated that all notes will be recalled in favor of a bond sale by the end of the calendar year 1967.

Control of Processing of Woolen Yard Goods

Control was implemented and continued over the processing of woven woolen yard goods by the imposition of quotas to control the flow of such foreign material through the Virgin Islands into the United States. These controls are maintained by the imposition of a 1-cent-per-yard tax within

established quotas and a 65-cent-per-yard tax on the excess over the said quotas.

Quotas are assigned for a calendar year. The following is a record of quotas from the commencement of control in 1963, with a record of shipments within the quota:

Classification	Period	Quota allowed (linear yards)	Actual shipments (linear yards)
Knitted worsted and/or woolen cloth.....	3/25/63 to 12/31/63.	1,000,000	112,559
Thermal laminated woolen cloth.....	3/25/63 to 12/31/63.	375,000	88,282
Showerproof woolen cloth.....	3/25/63 to 12/31/63.	5,000,000	3,778,376
Knitted worsted and/or woolen cloth.....	1964.....	1,300,000	220,760
Thermal laminated woolen cloth.....	1964.....	500,000	74,476
Showerproof woolen cloth.....	1964.....	1,000,000	494,474
Woven woolen yard goods.....	1965.....	1,650,000	966,992
Knitted worsted and/or woolen cloth including cloth knitted from a blend of wool and other fibers.	1965.....	1,150,000	421,430
Knitted worsted and/or woolen cloth.....	1966.....	1,035,000	537,937
Thermal laminated adhesive bonded woolen cloth (taken from unused reserve for preceding year).	1966.....	100,000	55,996
Shower proof woolen cloth.....	1966.....	1,845,000	¹ 1,900,027
Woven and/or dyed and finished cloth.....	1966.....	120,000	None

¹ Includes portion of 1,008,458 yards carried over from 1965.

For the calendar year 1967, these quotas (less 10% required reserve) were assigned:

	<i>Linear yards</i>
Showerproof woolen cloth.....	1,845,000
Knitted worsted and/or woolen cloth.....	935,000

	<i>Linear yards</i>
Woven and/or dyed and finished cloth.....	120,000
Thermal laminated adhesive bonded woolen cloth.....	100,000
Total.....	3,000,000

The unused portions of quotas each company received by category allotted for calendar year 1966 were follows:
carried over into 1967. Total yardage

Shower proof woolen cloth:

Total quota allowed this year.....	1,845,000
Less 10 percent allowed this year.....	<u>—184,500</u>
Net this year.....	1,660,500
1966 carryover.....	<u>596,123</u>
Total.....	<u><u>2,256,623</u></u>

Company apportionment:

Vitex Manufacturing Co., Ltd.....	1,084,915
1966 carryover.....	<u>596,123</u>
Net this year.....	1,681,038
Kent Co., Inc.....	<u>575,585</u>
Total (including carryover).....	<u><u>2,256,623</u></u>

Knitted worsted and/or woolen cloth:

Total quota allowed this year.....	935,000
Less 10 percent reserve.....	<u>—93,500</u>
Net this year.....	841,500
1966 carryover.....	<u>200,000</u>
Total (including carryover).....	<u><u>1,041,500</u></u>

Company apportionment:

Buccaneer Mills, Inc.....	841,500
1966 carryover.....	<u>200,000</u>
Total (including carryover).....	<u><u>1,041,500</u></u>

Woven and/or dyed and finished woolen cloth:

Total quota allowed this year.....	120,000
Less 10 percent reserve.....	<u>—12,000</u>
Net this year.....	108,000
1966 carryover.....	<u>120,000</u>
Total (including carryover).....	<u><u>228,000</u></u>

Company apportionment:

Amity International, Inc.....	108,000
1966 carryover.....	<u>120,000</u>
Total (including carryover).....	<u><u>228,000</u></u>

Thermal laminated and adhesive bonded woolen yard goods:

Total quota allowed this year.....	100,000
Less 10 percent reserve.....	<u>—10,000</u>
Net this year.....	<u><u>90,000</u></u>

Company apportionment:

Unassigned.....	90,000
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Act No. 971 (bill No. 1869), Fifth Legislature of the Virgin Islands of the United States, Regular Session, 1963, to impose certain production taxes and for other purposes, became effective on March 25, 1963, the date of its approval by the Governor of the Virgin Islands. It enacted a new chapter 9 entitled "Production Taxes" to part 1, subtitle 1, title 33, Virgin Islands Code. It was amended by act No. 1080 (bill No. 2054) approved February 20, 1964. Section 504, subsections (a), (b), (d), and (e) as amended are as follows:

(a) The Governor shall determine, after due investigation, the maximum amount of woolen yard goods production in the Virgin Islands which is consistent with the protection of the economic stability and commercial relations of the Virgin Islands. Due notice shall be given and interested parties shall be afforded an opportunity to present comments and information at a public hearing. In making any determination or determinations under this section, the Governor shall take into account, among other relevant factors, the benefit or detriment resulting from the applicability of the provisions of Section 301 of the Tariff Act of 1930, as amended, to Virgin Islands products, including problems of the type which led to expressions of concern on the floor of the 87th Congress over possible abuse and excessive use of said provisions.

(b) Upon the proclamation by the Governor of any determination or determinations made pursuant to subsection (a) of this section, the rate of tax imposed by this chapter shall be 1 cent per yard upon the amount of woolen yard goods production set forth in such determination or determinations to be consistent with the economic stability and commercial relations of the Virgin Islands; and the rate of tax in the excess of such amount shall be 65 cents per yard.

(d) In carrying out the provisions of this chapter, the Governor shall have authority to make such classifications of woolen yard goods as he may determine appropriate for purposes of this chapter, and may prescribe different maximum amounts for different classifications.

(e) The Governor shall have authority to determine the periods to be covered in granting applications, and may determine what applications shall be granted in whole or in part for a calendar year or for a period smaller than a calendar year. He may pre-

scribe for renewal of applications in whole or in part.

The Hearing Board

The ad hoc hearing board, set up pursuant to section 504(a) of title 33, Virgin Islands Code, for the purpose of recommending to the Governor quotas to be established for woolen yard goods in the various classifications, was reconvened and reorganized by Governor Paiewonsky due to the death of Morris F. deCastro, its chairman. The new members are: Dr. A. J. Prendergast, Chairman, Myer Feldman, Oscar Gass, and Reuben Wheatley.

On June 3, 1966, the board issued a notice of public hearing to be held at Government House in Charlotte Amalie, St. Thomas, Virgin Islands on June 11, 1966.

The hearing was duly held on that date, at which representatives of Buccaneer Mills, Inc., Kent Co., Inc., Virgin Islands Textile Processing Corp., and Vitex Manufacturing Co., Ltd., all of the Virgin Islands, appeared and testified.

The report of the hearing board dated November 9, 1966 is quoted in full:

THE HONORABLE RALPH M. PAIEWONSKY
Governor of the Virgin Islands
Charlotte Amalie
St. Thomas, Virgin Islands

DEAR GOVERNOR PAIEWONSKY: On Saturday, June 11, 1966, the ad hoc hearing board on production taxes imposed on woolen yard goods by chapter 9, title 33, of the Virgin Islands Code, met to hear testimony on applications concerning the distribution of woolen quotas for 1967.

The members of the hearing board consisted of myself, as chairman, Myer Feldman, Oscar Gass, and Reuben Wheatley.

Four companies were heard from, and the board met in executive session directly after the public hearing.

After some discussion, certain recommendations were unanimously agreed upon. However, subsequent to the meeting and prior to the submission of these recommendations to you, Amity Fabrics, Inc., submitted letters and a legal brief (exhibit 5) stating what the ad hoc committee believed

to be good and sufficient reasons for their inclusion in the quota distribution. Therefore, the board was reconvened and took into consideration this new request.

We are therefore recommending to you the following:

A. GENERAL RECOMMENDATIONS

1. That the overall quota for the Virgin Islands woolen yard-goods industry for the calendar year 1967 should be fixed at a total figure of 3 million linear yards.

2. That the unused portion of quotas allotted to companies for calendar year 1966 be carried over into 1967.

B. SPECIFIC RECOMMENDATIONS BY CATEGORY

1. Showerproof woolen cloth: The board recommends that a quantity of 1,845,000 linear yards be made subject to the tax of 1 cent per yard for the period January 1, 1967–December 31, 1967.

2. Knitted worsted and/or woolen cloth, including cloth knitted from a blend of wool and other fibers: The board recommends that a quantity of 935,000 linear yards be made subject to the tax of 1 cent per yard for the period January 1, 1967–December 31, 1967.

3. Thermal laminated and adhesive bonded woolen yard goods: The board recommends that a quantity of 100,000 linear yards be made subject to the tax of 1 cent per yard for the period January 1, 1967–December 31, 1967.

4. Woven and/or dyed and finished woolen cloth: The board recommends that a quantity of 120,000 linear yards be made subject to the tax of 1 cent per yard for the period January 1, 1967–December 31, 1967.

You will note that the above represents no departure from the previous year allotment of quotas and it is the intention of the board that this be so.

Sincerely yours,

A. J. PRENDERGAST,

Chairman.

Control of Manufacture of Watches

On November 10, 1966, Congress passed Public Law 89-805 which established a limitation on the number of watches and watch movements containing foreign components which may be imported duty-free from the United States and insular territories.

Responsibility for issuing shipping permits to watch companies in the Virgin Islands against licenses issued by the Federal Government is delegated to the Governor of the Virgin Islands who in turn delegates this function to the Commissioner of Commerce. It is presently administered by the Division of Trade and Industry. Responsibility for setting manufacturing quotas for Virgin Islands watch firms rests with the Secretary of the Interior and the U.S. Department of Commerce.

The first watch assembly plants were established in the Virgin Islands in 1959. The assembling of watches with parts of foreign origin for duty-free shipment to the United States rose from 5,000 units in 1959 to a volume in excess of 4,500,000 units. Apparently concerned over this tremendous increase in watch production, a number of Congressmen introduced H.R. 8436 in the House of Representatives in May 1965, to exclude from duty-free treatment all imports of watches and watch movements produced in the territories.

The government of the Virgin Islands also recognized the need for the

watch assembly industry here to remain within the confines of a legitimate operation in the interests of economic development. It was desirous of preventing the operations from becoming primarily a means of employing the duty-exemption privilege as a tariff-avoidance vehicle to the detriment of the U.S. watch industry. In order to satisfy this concern and at the same time save this important Virgin Islands industry, the Virgin Islands government enacted legislation designed to limit local watch assembly for export to the United States. Quotas were allocated to the firms on the basis of a formula which gave two-thirds of the weight to that portion of the payroll subject to social security taxation and one-third to prior production over a 6-month base period. Consequently, H.R. 8436 was thereafter amended to only exclude from duty-free treatment, imports of watches from insular territories other than the Virgin Islands. However, before any legislation on this subject was finally enacted, the Virgin Islands statute and a subsequent local statute were both declared invalid by the Federal District Court for the Virgin Islands.

The Senate of the United States then took action to pass Public Law 89-805, which was an amended version of H.R. 8436, and this law imposed an overall quota for duty-free entry of watches

and watch movements assembled in the three insular territories equal for each calendar year to one-ninth of total watch consumption in the United States during the previous calendar year. The Tariff Commission was assigned the responsibility of determining on or before April 1 of each year the consumption of watches in the United States during the preceding calendar year.

Moreover, the statute expressly allocates 87.5 percent of the total quota to producers in the Virgin Islands, 8.33 percent to producers in Guam, and 4.17 percent to producers in American Samoa. The Secretaries of the Interior and the Department of Commerce, assigned responsibility for setting quotas, have devised formulas for allocation based upon the amount of local labor involved and upon other factors.

The first interim quota was established for the period January 1, 1967, to February 28, 1967, for the 16 watch

firms located in the Virgin Islands. These interim allocations represented approximately 50 percent of the estimated total allocations for calendar year 1967, without adjustments, to reflect the number of watches and watch movements shipped into the Customs territory of the United States between January 1, 1967, and February 28, 1967.

A Federal Commerce-Interior audit team visited the Virgin Islands on April 21 to audit the books of the watch companies in St. Croix and St. Thomas. The Assistant Commissioner of Trade and Industry held a briefing session with the team in Christiansted on April 24. Subsequently, in June 1967, final quotas were allocated to the watch industry for the 6-month period ending December 31, 1967.

The total watch quota for the Virgin Islands during 1967 was 3,773,886 units.

Office of Public Relations and Information

Personnel: 10

Operating Appropriation: \$163,540

The Office of Public Relations and Information is responsible for publicizing the Virgin Islands on the U.S. mainland and in other countries, and for public relations activities in connection with the Office of the Governor.

Its responsibilities include the preparation of news, feature articles, and photographs for release on the mainland by the islands' public relations agency there, and the dissemination of news, pictures, and information about the Executive Branch of the Virgin Islands government to local and mainland-based media.

Additionally, the Office provides assistance and information to visiting editors, writers, and photographers as well as to important visiting dignitaries from the United States and other countries. Assistance is also given to the Governor's office in the preparation of reports, speeches, and required information.

The mainland office, in addition to serving the needs of the islands' public relations efforts, also serves the many Capitol Hill and Washington departmental needs of the Virgin Islands government.

During the fiscal year, the Public Relations and Information Office played an integral part in the planning

and execution of activities of the Virgin Islands semicentennial celebration. The Director served as the Executive Director for the Semicentennial Commission. Publicity covering the 10-day festival was widespread. Guests included Secretary of the Interior Stewart Udall, Ambassador to the United States from Denmark, Torben Ronne, and many other civilian and military dignitaries.

In connection with the 50th anniversary year, the public relations office cooperated with the public relations consultants on the mainland in producing and publishing an official anniversary magazine, "Your Virgin Islands." It has been widely and favorably received.

The office also has been directly involved in planning for the National Governors' Conference to be held in the Virgin Islands early in the new fiscal year. More than 160 national news media representatives and photographers, including all of the Nation's major networks and wire services, will cover the conference aboard the S.S. *Independence* and in the Virgin Islands. It is expected that millions of dollars worth of publicity will be received from this one event alone.

Over 400 news releases and 350 news

photographs were distributed to the islands' news media and to individuals and agencies on the off-islands mailing list during the year. In addition, articles about the islands appeared in such major magazines as *Holiday*, *Bride's Magazine*, *Time*, *Newsweek*, *Made-moiselle*, *Better Homes and Gardens*, *Glamour*, *Sports Afield*, and *Popular Photography*. King Features syndicated four full picture pages about the islands to over 1,600 daily newspapers, and thousands of articles appeared in major market newspapers throughout the country.

The Islands were featured on two different occasions on the nationwide "Today Show" produced by NBC, and the other major networks also carried spot features about island personalities. The Office assisted the producers of "The Wonderful World of Golf" television series in filming a show at Fountain Valley Golf Course for viewing early in the new fiscal year, and the Director and members of the staff worked closely throughout a 2-month period with a writer and photographer from the National Geographic Maga-

zine on an article to appear in January of next year.

Throughout the year, the islands were honored with visits from many newsworthy persons. Mrs. Lyndon Johnson and Vice President Hubert H. Humphrey headed the list of famous people who came to vacation. Forty-six prominent travel writers and editors arrived aboard cruise ships, and their visit resulted in more than 20 major articles about the Virgin Islands. In addition, 72 working press visitors came throughout the 12-month period and were escorted and assisted by the Office staff.

Once again this year, the combined efforts of the on-islands and mainland offices resulted in well over \$2 million in newspaper/magazine page coverage, based upon per column inch median costs if purchasable as paid advertising space. Readership-viewership circulation is estimated at more than 200 million persons. The volume and impact of all of this free promotional material is reflected in the ever-increasing number of tourists who visit the islands each year.

Office of The Government Secretary

Personnel: 64

Operating Appropriation: \$381,150

The activities of the Office of the Government Secretary during the fiscal year continued to reflect the impact of economic progress and development in the Virgin Islands.

Corporations

As of June 30, 1967, a total of 1,282 corporations was registered in the Virgin Islands. Of this number, 227 are

new and were authorized to do business during fiscal year 1967. Of these new corporations, 189 are domestic, 22 foreign, and 16 nonprofit.

A total of 168 domestic corporations was dissolved for various reasons, the most prominent of which was nonpayment of franchise taxes.

A statistical view of corporate activity for preceding fiscal years is reflected in the following tables:

COMPARATIVE CHART—NUMBER OF CORPORATIONS

	1963		1964		1965	
	For- eign	Do- mestic	For- eign	Do- mestic	For- eign	Do- mestic
Certificates of incorporation issued.	24	173	19	173	33	173
Certificates of amendment issued. .	2	26	4	43	4	27
Dissolutions.	4	85	.....	49	.....	143
Withdrawals.	5	.....	4	.....	7	.....
Mergers. . . . .	.....	1	.....	1	.....	3
Surrender of corporate rights. . . .	.....	6	.....	4	1	10
	1966		1967			
	Foreign	Domestic	Foreign	Domestic		
Certificates of incorporation issued.	26	194	22	189		
Certificates of amendment issued. .	4	26	2	28		
Dissolutions. . . . .	.....	10	.....	168		
Withdrawals.	5	.....	.....	.....
Mergers. . . . .	.....	1	.....	.....
Surrender of corporate rights. . . .	1	.....	.....	.....

COMPARATIVE TABLE—FRANCHISE TAXES AND CORPORATE FEES

	1963	1964	1965	1966	1967
Filing fees.....	\$13, 179	\$15, 196	\$14, 561	\$18, 295	\$14, 854. 5
Franchise taxes, including penalties.	38, 098	35, 770	36, 288	36, 500	56, 370. 950

Licensing of Businesses and Occupations

At the end of fiscal year 1967, 4,308 licenses had been issued, as compared with 3,852 for the previous year. Fees collected totaled \$161,779.50. While

a higher figure of \$186,429.00 was collected during the previous year, that total included fees for which licenses were not issued until fiscal year 1967.

The following charts show a comparison of licenses issued and fees collected over the past 5 years:

LICENSES ISSUED AND FEES COLLECTED

District	1963		1964		1965	
	Li- censes	Fees	Li- censes	Fees	Li- censes	Fees
St. Thomas and St. John.....	1, 716	\$101, 592	2, 010	\$117, 421	2, 115	\$130, 781
St. Croix.....	1, 034	39, 176	1, 486	32, 811	1, 620	42, 084
Total.....	2, 750	140, 768	3, 496	150, 232	3, 735	172, 865
	1966		1967			
	Licenses	Fees	Licenses	Fees		
St. Thomas and St. John.....	2, 221	\$141, 084	2, 569	\$120, 642. 50		
St. Croix.....	1, 631	1 45, 345	1, 739	41, 137. 00		
Total.....	3, 852	186, 429	2 4, 308	161, 779. 50		

¹ Includes fees collected for licenses for which applications have been received but licenses not yet issued, as well as refunds.

² Includes licenses for which fees were received during fiscal year 1966 but not issued until fiscal year 1967.

Registration of Trade Names

In compliance with act No. 923, approved January 23, 1963, providing for government control of the use of trade names of businesses in the Virgin Islands by means of registration, 270 new registration of trade names were recorded during fiscal year 1967, bringing the total number filed with

the office of government secretary since the enactment of this act to 1,129. Fees collected for this activity during the fiscal year covered by this report amounted to \$1,500.00 as compared with \$1,025.00 during the previous year.

The following table shows the amount of activity in this area over the past 5 fiscal years:

REGISTRATIONS AND FEES COLLECTED

	1963	1964	1965	1966	1967
Registrations.....	172	339	224	205	276
Fees collected.....	\$860	\$1,695	\$1,120	\$1,025	¹ \$1,500

¹ Includes fees received for 24 registrations which are pending.

Trademarks and Patents

This office continued to process trademarks and patents in accordance with the Governor's rules and regula-

tions promulgated on June 11, 1959. Following are comparative tables showing activity in this area over the past 5 fiscal years:

	1963	1964	1965	1966	1967
Design patents.....	1	1	.....	.....	.....
Original registrations.....	24	19	35	27	29
Renewals.....	4	13	13	11	28
Assignments.....	6	.....	18	1	13
Changes in name.....	2	4	2	2	16
Mergers.....	2	.....	2	2	1
Total.....	39	37	70	43	87
Fees collected.....	\$1,005	\$907	\$3,621	\$832	¹ \$1,777.50

¹ Of the total amount of \$1,777.50 shown above for fiscal year 1967, \$115 represents collections made in fiscal year 1966, registrations of which were effected in fiscal year 1967, by reason of incomplete documentation. The amount of \$107.50 of the total amount shown above, represents collections made in fiscal year 1967, registrations for which are pending receipt of documentary evidence required for processing.

Insurance

At the end of the fiscal year there were 93 insurance companies authorized to conduct business in the Virgin Islands as compared with 84 the previous year. Nine new companies were registered during the fiscal year as compared with six the previous year.

In addition, one company withdrew, and one company, pursuant to consent of dissolution, was dissolved in accordance with section 283(d), title 13 of the Virgin Islands Code.

Gross premiums written during the year totaled \$4,424,755.05, an increase of \$786,797.85 over the previous year. Gross premium taxes for this period totaled \$40,612.24, an increase of \$7,682.70.

During the year, 178 insurance licenses were issued, 80 of which were for insurance agents, 37 for insurance solicitors, 56 for apprentices, four to brokers, and one issued to a nonresident insurance broker.

Following is a comparative table of fees collected from insurance activities over the past 5 fiscal years:

COMPARATIVE ANALYSIS OF FEES COLLECTED FOR INSURANCE ACTIVITIES

	1963	1964	1965	1966	1967
Certificates of authority.....	\$3, 188	\$2, 748	\$3, 412	\$3, 375	\$3, 750. 00
Agents licenses.....	3, 068	2, 870	3, 047	4, 994	4, 805. 00
Brokers licenses.....			100	200	400. 00
Solicitors licenses.....	828	1, 460	1, 118	1, 050	1, 779. 24
Gross premium taxes.....	15, 015	18, 769	24, 892	32, 929	40, 612. 00
Filing annual statements.....	167	172	190	212	225. 00
Filing power of attorney.....	90	115	70	90	55. 00
Sale of insurance laws.....	44	18	28	53	34. 00
Total.....	22, 400	26, 152	32, 857	42, 903	51, 661. 20

Board of Control of Alcoholic Beverages

The Board of Control of Alcoholic Beverages prescribes, administers and enforces regulations pertaining to the manufacture and sale of alcoholic beverages, denatured spirits, and articles containing denatured spirits.

Rum production in the Virgin Islands increased during fiscal year 1967 by more than 400,000 proof-gallons over the previous year, while the total amount of alcoholic beverages exported to the U.S. mainland increased by over a quarter of a million

proof-gallons. These exported beverages included rum, whiskey, cordials, and liqueurs.

The manufacture of perfumes, bay rum, and toilet water using denatured alcohol showed a 40-percent increase, from more than 24,000 to over 35,000 wine-gallons.

Rigid inspection of alcoholic beverages imported into the Virgin Islands continued to insure compliance with Virgin Islands government labeling regulations.

The following statistical information reflects the continuing increased activity in this area:

RUM PRODUCED IN THE VIRGIN ISLANDS

(In proof-gallons for calendar year)

	1962	1963	1964	1965	1966
Brugal & Co.....					39, 600
West Indies Distillers, Ltd....	200, 000	157, 470	327, 072	180, 102	416, 361
Virgin Islands Rum Industries, Ltd.....	1, 084, 334	832, 204	878, 917	980, 065	1, 155, 637
Total proof-gallons ¹	1, 284, 334	989, 674	1, 205, 989	1, 160, 167	1, 611, 598

¹ Proof-gallon—the alcoholic equivalent of a U.S. gallon at 60° F. containing 50 percent of ethyl alcohol by volume.

ALCOHOLIC BEVERAGES EXPORTED TO THE UNITED STATES

(In proof-gallons for calendar year)

	1962	1963	1964	1965	1966
Rum.....	825, 387	735, 077	1, 230, 257	1, 099, 928	1, 359, 817
Whiskey.....	4, 343	2, 568	2, 160		
Cordials, liqueurs, etc.....	4, 381	28, 571	17, 796	3, 204	500
Total proof-gallons.....	834, 111	766, 216	1, 250, 213	1, 103, 132	1, 364, 817

DENATURED ALCOHOL PRODUCED

(Wine-gallons) ¹

	1962	1963	1964	1965	1966
V.I. Rum Industries, Ltd.	2, 863	4, 370	3, 018	5, 895	4, 900

¹ Wine-gallon—A U.S. gallon of liquid measure equivalent to the volume of 231 cubic inches. Gauging Manual, U.S. Treasury Department.

DENATURED ALCOHOL USED IN THE MANUFACTURE OF PERFUME, BAY RUM, AND TOILET WATER

(Wine-gallons)

	1962	1963	1964	1965	1966
West Indies Bay Co.	8, 759	10, 398	13, 894	17, 920	23, 870
Virgin Islands Bay Rum Manufacturing Co.	2, 861	4, 368	3, 019	5, 720	4, 900
Virgin Islands Perfume Corp.			147	369	223
Huntley, Ltd.		572	803	275	6, 160
Total, wine-gallons.	11, 620	15, 338	17, 863	24, 284	35, 153

Motor vessel inspections of imported alcoholic beverages conducted in order to determine compliance with Virgin

Islands labeling regulations were as follows:

Year of inspection:

1963.	21	Vessels inspected	containing	4,972	cases.
1964.	30	Vessels inspected	containing	4,653	cases.
1965.	29	Vessels inspected	containing	3,939	cases.
1966.	39	Vessels inspected	containing	6,434	cases.

Office of the Tax Assessor

The Office of the Tax Assessor during fiscal year 1967 completed the first reassessment of all real property in the Virgin Islands under the 3-year cycle reassessment program. After a legislatively imposed moratorium on increasing real property taxes ended in 1965, the implementation of the 1960-61 reassessment program which provided for a continuous 3-year reassessment—one-third of all real property in the Virgin Islands each year—became effective and real property tax bills began reflecting the new assessments.

A significant activity within the division of real property assessment and taxation during the year was a seminar

on real property assessment sponsored by the Office of the Government Secretary.

Attended by the entire staffs of the offices of the tax assessor on St. Thomas, St. Croix, and St. John, the seminar was developed with a view towards the continuous upgrading and improving of techniques used in determining true and accurate values in assessing and reassessing of real property.

The complete and accurate updating of the mapping system on St. Thomas and St. Croix was also accomplished during the year. Through the employment of an assistant appraiser for the island of St. John, several hundred parcels of land on that island were prop-

erly identified and plotted on the tax maps and proper boundary lines identified. Also, previously unidentifiable properties were located and plotted on the maps.

Real property tax bills for the calendar year 1966 amounted to \$2,077,-

095.81, as compared to \$1,830,418.52 in 1965, and \$962,997.60 in 1964.

The following charts reflect the continuing progress being made toward the realization of a workable, standardized, and equitable system of real property assessment and taxation:

TOTAL ASSESSMENT AND TAXES ST. THOMAS, ST. CROIX, AND ST. JOHN, 1961-66

Year	Bills issued	Assessments	Taxes	Number of exemptions	Amount of exemptions	Amount of modification	Taxes
1961.....	11, 303	\$58, 741, 770	\$734, 272. 13	1, 576	\$47, 800. 00	\$105, 173. 64	\$581, 298. 49
1962.....	11, 855	63, 346, 331	791, 829. 14	2, 099	58, 974. 72	70, 123. 68	662, 730. 74
1963.....	12, 679	72, 017, 612	900, 220. 15	2, 338	67, 085. 49	35, 686. 10	797, 448. 56
1964.....	13, 722	83, 394, 239	1, 042, 427. 99	2, 687	79, 430. 39	.....	962, 997. 60
1965.....	15, 120	158, 880, 727	1, 986, 009. 09	3, 062	155, 590. 57	.....	1, 830, 418. 52
1966.....	16, 783	192, 820, 503	2, 410, 256. 29	4, 719	333, 160. 48	.....	2, 077, 095. 81

DETAILED CHART OF ASSESSMENTS AND TAXES INCLUDING HOMESTEAD EXEMPTION

Island and year	Number of bills issued	Assessments	Taxes
St. Thomas:			
1961.....	5,500	\$28,098,747.00	\$351,234.34
1962.....	5,744	30,148,342.00	376,854.28
1963.....	6,210	34,520,023.00	431,500.29
1964.....	6,760	40,163,098.00	502,038.73
1965.....	7,157	75,529,769.00	944,122.11
1966.....	8,140	82,634,196.00	1,032,927.45
St. Croix:			
1961.....	5,100	28,661,753.00	358,271.91
1962.....	5,397	31,078,240.00	388,478.00
1963.....	5,731	35,302,237.00	441,277.96
1964.....	6,191	40,890,229.00	511,127.86
1965.....	7,120	80,474,180.00	1,005,927.29
1966.....	7,612	99,351,323.00	1,241,891.54
St. John:			
1961.....	703	1,981,270.00	24,765.88
1962.....	714	2,119,749.00	26,765.86
1963.....	738	2,195,352.00	27,441.90
1964.....	771	2,340,912.00	29,261.40
1965.....	843	2,876,778.00	35,959.72
1966.....	1,031	10,834,984.00	72,984.56

RECAPITULATION OF 1965 AND 1966 ASSESSMENT AND TAXES

In dollars						
Year	Number of bills	Land and building	Taxes	Night-soil	Amount of homestead	Taxes
Total including nontaxable, tax exempt, church, Virgin Islands government:						
1965.....	15,760	206,729,680	2,584,121.00	4,625.00	155,590.57	2,433,155.43
1966.....	17,649	252,812,382	3,160,154.78	3,195.73	333,160.48	2,830,190.03
Total of tax exempt, government, church:						
1965.....	640	50,834,724	635,434.05	.....	.....	635,434.05
1966.....	866	59,991,879	479,898.49	.....	.....	749,898.49
Total of tax exempt:						
1965.....	98	24,913,526	311,419.08	.....	.....	311,419.08
1966.....	95	18,101,826	226,272.83	.....	.....	226,272.83

Office of the Recorder of Deeds, St. Thomas

The Office of Recorder of Deeds, St. Thomas, experienced a relatively high rate of delinquent real property tax bills during the year. As a result, 674 liens and 1,506 releases were recorded. The number of other documents required by law to be recorded increased

by 2,878, for a total of 8,661 documents recorded during fiscal year 1967.

Fees collected for recording of documents amounted to \$39,485.27. In addition, fees collected under the uniform commercial code for recording of financial statements amounted to \$4,983.95 for a total of \$44,469.22 in fees collected, a decrease of approximately \$2,100. These figures do not in-

clude fees collected by the Department of Public Works for attestations and measure briefs.

A comparative analysis of documents recorded and charges assessed over the past 5 fiscal years follows:

Documents	1963	1964	1965	1966	1967
Deeds	547	743	920	898	936
Mortgages	535	537	744	721	857
Chattel mortgages	570	655	819	26	(1)
Conditional sales and contract	886	1, 147	2, 271	313	(1)
Cancellation and releases	356	1, 009	582	602	2, 108
Contracts					32
Bills of sale	155	10	6	21	20
Leases	37	59	44	58	43
Liens	9	28	120	903	1, 557
Adjudications	31	16	30	33	27
Easements	45	39	35	22	32
Death certificates	11	6	11	12	14
Assignments		21	23	37	59
Trust receipts			15		
Promissory notes			8		
Financing statements				1, 926	2, 483
Miscellaneous	171	397	169	216	312
Certificate of Purchase					147
Certificate of redemption					34
Total	3, 353	4, 767	5, 794	5, 783	8, 661

¹ Included in financing statements.

COMPARATIVE LIST OF FEES COLLECTED

	1963	1964	1965	1966	1967
Total fees collected (dollars)	28, 688. 20	42, 170. 33	58, 796. 68	46, 664. 93	44, 469. 22

The translation from Danish to English of 10 books in series 2 was completed during fiscal year 1967. These books contain documents recorded in Danish from around the year 1791. The advanced deterioration of the books due to extreme age made the translation efforts exceedingly difficult. Despite this, considerable progress was made and painstaking efforts are being exercised to preserve these records.

Microfilming efforts, temporarily suspended, but subsequently continued during the year, saw books up to and including series 8-T (each series contains books from A to Z) filmed with 13 additional books ready for the

camera. It is planned that by the end of fiscal year 1968 work will have begun on the microfilming of the books which have been translated during fiscal year 1967.

*Office of the Recorder of Deeds,
St. Croix*

A total of 5,740 documents was recorded and 272 documents certified by this Office during fiscal year 1967. Fees collected for these transactions amounted to \$47,954.00.

A comparative analysis of documents recorded and charges assessed over the past 5 fiscal years follows:

Documents	1963	1964	1965	1966	1967
Deeds.....	718	748	848	984	904
Mortgages.....	501	539	622	765	667
Chattel mortgages.....	121	193	336	51	(1)
Conditional sales and contract.....	437	357	1,762	565	(1)
Cancellation and releases.....	383	431	542	671	513
Leases.....				29	8
Liens.....				25	146
Easements.....				14	7
Adjudications.....	19	12	11	26	27
Death certificates.....	23	9	25	25	21
Assignments.....				54	11
Trust receipts.....				2	
Certificates of attachments.....	45	55		454	508
Attachments.....				57	271
Financing statements.....				1,477	2,236
Continuation, termination statements.....					
Assignment and release.....				40	47
Miscellaneous.....	295	399	408	302	374
Total.....	2,552	2,743	4,554	5,541	5,740

¹ Included in financing statements.

COMPARATIVE LIST OF FEES COLLECTED

	1963	1964	1965	1966	1967
Total fees collected (dollars).....	22,111.50	31,956.50	44,926.75	60,012.00	47,954.35

Passports

The issuance, renewal, amendment, and extension of U.S. passports continued to be one of the major functions performed by the Office of the Government Secretary. Fiscal year 1967 reflected a considerable amount of increased activity in this particular area.

During the month of April 1967,

alone, a total of 176 original passports was issued. One contributing factor to the issuance of such an unusually large number of passports during this 1-month period was the educational tour of European countries by high school groups from St. Croix and St. Thomas.

The following table reflects passport activities and fees covering the past 5 fiscal years:

	1963	1964	1965	1966	1967
Issued.....	273	273	334	493	715
Renewed.....	60	118	123	173	165
Amended.....	8	8	5	8	11
Extended.....					2
Total.....	341	399	462	674	893
Total fees collected (dollars).....	2,762	3,115	3,621	5,302	7,392

Of the total amount collected for the fiscal year 1967, \$132 represented fees collected in the last days of the fiscal period, passports for which will not be processed until early July 1967, thereby carrying them over into the 1968 fiscal year.

Notaries Public

Act No. 1954, approved May 4, 1967, increased from 60 to 100 the number of notaries public commissions authorized for the Virgin Islands, of which 96 are subscribed. This act also provided that the executive secretary of the legislature be appointed as a notary public ex-officio.

To enhance public convenience and provide ready information for those interested in obtaining commissions as a notary public, printed information sheets setting forth the requirements embodied in the Virgin Islands Code were prepared and are being distributed to new applicants along with an affidavit which must be executed by them.

Ministerial Licenses

There were 20 letters of authority granted to ministers during fiscal year 1967. Such letters permit these indi-

viduals to perform civil-religious ceremonies in the islands.

The following table reflects the number of such letters issued during the last 5 fiscal years:

1963	1964	1965	1966	1967
7	14	20	10	20

No fees are collected for these letters of authority.

Legislation

The Office of the Government Secretary is responsible for the assigning of act numbers and resolution numbers to bills as they are passed by the legislature and approved by the Governor. The office is further charged with the responsibility of distributing these enactments to the several government departments, in addition to the Director of the Office of Territories, Department of the Interior. These measures are subsequently printed in slip-law form, after which a further distribution is made and the remainder filed in the Office of the Government Secretary.

The following table shows the number of acts and resolutions passed which received executive sanction during the past 5 years:

	1963	1964	1965	1966	1967
Acts.....	133	172	222	344	188
Resolutions.....	39	44	39	32	37

Banking Board of the Virgin Islands

Six banks—one a mutual savings bank—and one savings and loan association were operating 20 main and branch offices in the Virgin Islands at the close of fiscal year 1967. In addi-

tion, one of the banks operated two offices in the British Virgin Islands. These banks are: The New St. Croix Savings Bank, Virgin Islands National Bank, Chase Manhattan Bank, Bank of Nova Scotia, Barclays Bank, DCO, First Federal Savings & Loan Associa-

tion, and First National City Bank.

The provisions of the National Bank Act as adopted by the Congress (12 U.S.C. sec. 21 et seq.) exclude three of the above-mentioned institutions from the supervision of the Banking Board of the Virgin Islands in that they are national banks.

No action was taken during the period covered by this report to activate the application of the Caribbean Bank & Trust Corp. mentioned in previous reports as pending.

During fiscal year 1967, the banking board completed a proposed new banking code embodying an overall revision of the banking laws of the Virgin Islands. The final draft was developed through open and executive meetings of the banking board, correspondence and conference with all members of the banking community including the national banks, and close consultation with the Office of the Attorney General.

New chapters and sections are to provide for, among other things, the regulation of small loan companies and pawnbrokers; savings and loan associations; the powers of domestic corporations provided by title 13; and provisions to guard against unauthorized disclosure of information by bank personnel. This draft legislation is now before the Governor for his review prior to its submission to the legislature.

The following comparative table reflects the growth of the banking industry of the Virgin Islands for the past 5 fiscal years. The 1963-64 figures include the activities of four banks and the savings and loan association. The 1965 figures represent the activities of only the four banks established at that time. The figures for 1966 represent activities of five banks and the savings and loan association; and for 1967 six banks and the savings and loan association.

Fiscal year—

	1963	1964	1965	1966	1967
Total assets.....	\$59,056,190	\$67,782,950	\$79,541,767	\$106,075,039	\$136,713,491.04
Total liabilities.....	56,270,413	63,908,111	77,169,041	103,461,337	138,646,511.20
Loans.....	9,149,990	13,282,331	20,905,951	26,444,218	29,267,722.25
Mortgages.....	21,766,369	27,925,425	30,585,358	39,961,792	51,237,779.72
Deposits.....	1 51,988,767	2 58,721,006	.....	.....	.....
Time.....	.....	.....	3 6,439,154	19,859,789	40,832,997.38
Demand.....	.....	.....	4 34,309,809	35,124,628	46,566,403.64
Savings.....	.....	.....	33,335,260	42,527,182	47,499,267.94
Cash on hand.....	4,258,403	3,379,280	1,938,825	4,287,970	3,657,923.85

¹ Includes time, demand, and savings deposits.² Includes time, demand, and savings deposits.³ Does not include New St. Croix Savings Bank.⁴ Does not include New St. Croix Savings Bank.

Department of Education

Personnel: 908

Operating Appropriation: \$7,287,929

Major strides were made in the field of education in the Virgin Islands during the fiscal year. Of inestimable importance in its achievements were the contributions made under the Elementary and Secondary School Act of 1965, the Office of Economic Opportunity and other Federal and local agencies. Funds made available from these sources were responsible for the implementation of several innovative educational enterprises and exemplary pilot programs; for curriculum development and for the improvement in the quality of education.

The development of a corp of highly trained teachers was one of the primary

goals of the department. This aim, however, was impeded by problems in recruitment and retention of teaching personnel. This has been the first year in which the director of personnel services functioned and some improvement was seen in the area of teacher turnover. The director conducted recruitment in the United States, personally and by mail, and was able to find replacements for most teachers who had resigned. With the acquisition of more equipment and supplies plus better salaries, it is anticipated that teachers now being hired will be inclined to spend 2 or more years in the local system.



The Tutu Elementary School on St. Thomas, one of the three new educational facilities completed during the year in the islands.

Significant progress has been made in vocational education. In addition to new efforts, projects which had been initiated the previous fiscal year, have either been strengthened or brought to fruition.

A bureau of public information services was established by the department, and charged with the function of presenting the purposes, accom-

plishments, conditions, and needs of the Department of Education.

Division of Business

This division is charged with the budgeting function and financial accounting of all funds allotted to the department. The following tables indicate the extent of their activities during the fiscal year 1967:

A. VIRGIN ISLANDS APPROPRIATION—FISCAL YEAR 1967

Division	Appropriation	Percent of total
Office of the Commissioner.....	\$159, 015	2. 18
Curriculum and instruction.....	4, 022, 517	55. 19
Business.....	117, 712	1. 62
Property, procurement and auxiliary services.....	920, 838	12. 64
School lunch.....	686, 254	9. 42
Community programs.....	163, 814	2. 25
Grants and contributions.....	1, 217, 779	16. 70
Total.....	7, 287, 929	100. 00

B. FEDERAL AIDS FUNDS AND GRANTS—FISCAL YEAR 1967

Activity	Amount
National Defense Education Act (titles III, V, and X).....	\$109, 639. 00
Vocational education.....	128, 044. 00
Vocational rehabilitation.....	116, 573. 00
Public library services (I, III, and IV).....	¹ 34, 737. 00
Special Federal grants—Public Law 874.....	94, 441. 00
School lunch (special fund).....	125, 048. 00
Manpower development and training.....	14, 619. 00
Project Headstart.....	122, 216. 00
Elementary and Secondary Education Act.....	¹ 537, 981. 00
Neighborhood Youth Corp (1st and 2d projects).....	41, 351. 00
Adult basic education.....	27, 600. 00
Total.....	1, 352, 249. 00

In addition, the division accounted for funds for the following special projects:

School crash construction revolving fund (proceeds from bond issue)...	4, 700, 000
Repairs and improvements to school buildings (single I matching funds).....	50, 000
Special education workshop for teachers.....	25, 000
Total.....	4, 775, 000

¹ Includes grant award entitlements for fiscal year 1967, although the total amount may not have been received and expended as of June 30, 1967.

C. TOTAL OPERATING FUNDS AVAILABLE—FISCAL YEAR 1967

Source	Amount	Percent
Virgin Islands appropriated funds.....	\$7,287,929	84.00
Federal aid funds and grants.....	1,352,249	16.00
Grand total.....	8,640,178	100.00
Total expenditures for the Department of Education activities, related services, and capital outlay.....	13,415,178	.....

D. 5-YEAR COMPARISON OF TOTAL OPERATING BUDGET

Year	Local funds	Federal funds	Total
1962-63.....	\$3,154,328	\$323,971	\$3,478,299
1963-64.....	3,856,974	370,225	4,227,199
1964-65.....	4,689,633	419,466	5,109,099
1965-66.....	5,722,885	1,449,583	7,172,468
1966-67.....	7,287,929	1,352,249	8,640,178

School Enrollment

in nonpublic schools increased from
Total enrollment in public schools 4,012 to 4,546. The following tables
increased from 10,254 to 10,594. Total show the figures for the past 5 years:

	Public				
	1962-63	1963-64	1964-65	1965-66	1966-67
Kindergarten.....	545	564	690	813	810
Grades 1 through 6 and ungraded....	5,036	5,197	5,536	5,993	6,361
Grades 7 through 12.....	2,573	2,910	3,173	3,173	3,423
Total.....	8,204	8,671	9,399	10,254	10,594
	Nonpublic				
	1962-63	1963-64	1964-65	1965-66	1966-67
Total.....	3,213	3,470	3,870	4,012	4,546

Federal Aid Programs

As noted in the statistical table above, the department received a total of \$1,352,249 of Federal funds under the various public laws for which the Virgin Islands was eligible.

Under the program known as NDEA (National Defense Education Act), emphasis was placed on languages, mathematics, and science. A modern foreign languages program in the elementary and secondary schools

was strengthened by the acquisition of equipment, materials, and supplies, the use of the audio-lingual approach and the interest shown by participating teachers. Workshops were conducted for teachers in mathematics which dealt with teaching methods and techniques, use of manipulative materials, the overhead projector, and transparencies. Algebra classes were arranged for students in the ninth grade level at Christiansted High School. Teachers

commented favorably on the results of this program. In science, the supervisor assisted in planning and coordinating the 2-week visit of the National Aeronautics and Space Administration to the islands. This program was satisfactorily presented to 4,700 school-children. Adults received the presentation in the form of teacher-in-service, television, and radio programs. The space demonstration was given to private, parochial schools, and to the College of the Virgin Islands. During the year, considerable teacher interest in aquariums and terrariums was manifested.

Under ESEA (Elementary and Secondary Education Act), the Virgin Islands received a grant of \$537,981, under title I, which was used for several pilot programs. One project, involving 18 classrooms, centered around audio-lingual reading. This, essentially, is a method by which children are taught individually while in a group seated around a console with headphones. A summary program centered around cultural enrichment, with areas of concentration on communication skills, arts and crafts, physical education, and marine biology. Emphasis was on listening, speaking, and play production. Carefully selected books, records, and other materials contributed to the success of the program. Approximately 2,000 children from grades one through 12 participated in these programs on the three islands. Funds from title II of ESEA which provided library resources for all teachers and children, amounted to \$32,000 to the islands. This sum, approximately \$3 per student, was spent for library books, 16 mm. and 8 mm. films, records, tapes, and other printed instructional materials. Under title III, a grant of \$33,917 was received to plan an educational and cultural center. This center is envisioned as the primary creative force

in elementary and secondary education in the islands. The project was officially approved on June 30, 1967.

Under funds allotted by the Office of Economic Opportunity, the Department conducted 27 classes in the Headstart program. Of this number, only four shared facilities with kindergarten. An institute to help train all Headstart teachers was conducted by Social Educational Research and Development, Inc. Plans were also made to send the teachers for training to Wheelock College, Boston, during the summer months.

Curriculum and Instruction

This division experienced a productive year of educational activities. All of these activities were directed toward the improvement of the curriculum and the learning experiences of children and youth, the improvement of the physical environment, and the professional growth of instructional personnel.

In the elementary system, the Grove Place School was made a demonstration school with a special coordinator assigned by New York University. The nongraded primary program at Lockhart Elementary School proceeded as planned. Physical education teachers were assigned to grades four to six. Plans called for an expansion of this program to include grades kindergarten 3, with health instruction to be given by the classroom teacher. The Headstart program was carried through on all islands and audio-lingual reading projects conducted in St. Croix and St. Thomas. Teacher aides, electronic language laboratories, additional library books, and audiovisual equipment were made available through Federal funds (refer to Federal aid programs above). Scheduled were summer programs in remedial reading for children and NDEA sum-

mer institutes for teachers at the College of the Virgin Islands.

In secondary education, the well-known educational core program was introduced into three junior high schools after a year of planning, orientation of teachers, and final acceptance by the board of education. On March 30, 1967 the Wayne N. Aspinall Junior High School in St. Thomas was dedicated. The art and music departments made commendable contributions to the semicentennial celebrations on all three islands; to the annual carnival in St. Thomas and Christmas festival in St. Croix; and at the music and art festival in St. Croix. A band booster club—similar to that of St. Croix which has functioned efficiently for many years—was begun in St. Thomas.

Important additions to the secondary staff were school nurses to Christiansted High and Junior High Schools and the Wayne Aspinall Junior High School. For the second full year, adult education was conducted from grades 1 through 12, and approximately 275 persons were enrolled in 17 classes of adult basic education which extends through grade 8.

Vocational Education

Vocational and industrial arts courses were offered at the following schools during the school year: Wayne N. Aspinall Junior High School, and Charlotte Amalie High School, St. Thomas; Julius E. Sprauve School, St. John; and Christiansted Senior and Junior High Schools, and Claude O. Markoe School, St. Croix.



The Wayne N. Aspinall Junior High School under construction at Crown Bay, St. Thomas. The school, constructed on reclaimed land, admitted its first class in September 1967.

In St. Thomas and St. John 492 students were enrolled in industrial arts, with 423 in home economics. Business Education, automotive mechanics, and electricity totaled 64, 48, and 36, respectively. In St. Croix, industrial arts ranked third, with 118 students. Business education had the greatest number of enrollees with 402 students, followed by home economics with 145. Courses in electronics and horticulture were offered for the first time in St. Croix.

In addition to the vocational education programs, this Division is responsible for the administration of manpower development and training programs. Approval was secured from the Washington office for six training projects which will commence the beginning of the next fiscal year. A keypunch operator course was initiated in St. Thomas and was successful. Seven trainees completed the course and were immediately absorbed by local government agencies and private enterprise.

In cooperation with the Virgin Islands Employment Security Agency, this division was instrumental in initiating several X-projects such as diesel mechanics, office machine maintenance, and arc welding. A 30-hour evening course for nonlicensed electricians preparing to take licensing examinations was conducted at Charlotte Amalie High School.

Conducted in St. Thomas and St. Croix were 1-day workshops for office occupations instructors; in-service training courses of 30 hours for school lunch workers and classes in practical nursing for out-of-school youth and adults.

The vocational education State office continued to work closely with other government agencies who are connected with placement of dropouts and graduates of the vocational education program. Some of these agencies were: Employment Security Agency,

the Department of Labor through its Bureau of Apprenticeship and Training, the Chamber of Commerce, the Planning Board, the Department of Health and the Department of Social Welfare.

Bureau of Educational Research

This section prepared the annual "Directory of the Public, Private, and Parochial Schools of the Virgin Islands," the "Biennial Report, State Elementary and Secondary Schools, 1965-66"; the "Fall Survey of Enrollment, Teachers and School Housing, and Estimated Expenditures and Salary Date for the Virgin Islands, 1966-67." The last two reports were sent to the Office of Education, Washington, D.C. The bureau prepared the material on Virgin Islands "Educational Policy, Legislation, and Administration," for chapter V of the "World Survey of Education," to be published by UNESCO. The first volume of biographies of famous and important Virgin Islanders of the past, written on about fourth grade level is expected to be available before the end of the calendar year. The bureau also completed for the Council of Chief State School Officers, "Development of the Virgin Islands State Department of Education, 1900-65."

Bureau of Pupil Personnel Services

The bureau strived to help each pupil develop his maximum potential. Guidance, counseling, and testing services were provided by nine counselors, several assistants, and the director. On the elementary level, 7,254 tests were administered to public school pupils and 892 nonpublic school students. On the secondary level, 5,148 and 813 tests were administered to public and nonpublic school students,

respectively. Physical and dental examinations were performed for approximately 89 percent of the senior students at Charlotte Amalie High School and 60 percent of those at Christiansted High School. At the time of examination, vaccination and immunization against diphtheria, tetanus, and polio were given. In the Division of Mental Health 67 cases were referred to the school psychologist—53 from public elementary schools and 14 from secondary schools. High school equivalency tests were taken by 177 adults during the year and high school equivalent certificates were issued to seven veterans based on scores made in the Armed Forces Institute. The Board of Education approved 153 scholarship applications, recommended by the bureau which also administers the territorial scholarship program.

Pupil Transportation

It was necessary to adjust schoolbus schedules to accommodate split-day sessions in the public high schools in St. Thomas and in St. Croix. This action, along with relocation of the Country Day School in St. Croix, and ultimately the shifting of certain classes of the Christiansted Elementary School to the Hess Oil site, resulted in a substantial increase in bus operations, both in the number of daily trip requirements and in the number of pupils to be accommodated. Comparative data are shown below:

NUMBER OF PUPILS TRANSPORTED

	1965-66	1966-67
St. Croix.....	2, 184	4, 513
St. Thomas.....	563	775
St. John.....	120	132
St. Thomas/St. John (boat).....	35	32
Totals.....	2, 902	5, 452

NUMBER OF BUS TRIPS OPERATING DAILY

	1965-66	1966-67
St. Croix.....	84	117
St. Thomas.....	15	27
St. John.....	10	14
Totals.....	109	158

¹ Includes 6 trips daily with Department of Education vehicles; all other operations are contract services.

COST OF PUPIL TRANSPORTATION

	1965-66	1966-67
St. Croix.....	\$201, 297	\$267, 339
St. Thomas.....	44, 333	66, 735
St. John.....	9, 650	11, 421
St. John/St. Thomas (boat)...	5, 250	4, 860
Totals.....	260, 530	350, 355

Buildings, Maintenance, Repairs, and Custodial Service

Employment of additional personnel in this area has permitted a substantial increase in job accomplishment during the year. Nonetheless, difficulty was still experienced in meeting growing maintenance demands. In order to meet them fully, it is hoped that a program of "professional" instruction and training for custodial workers, with concurrent and followup supervision, can be introduced in the near future.

In the field of plumbing, a program was initiated of replacing flush valves with a new kind of valve which appears to be far superior and less vulnerable to fluctuating water pressure. This, plus the benefit derived from a more dependable water supply in certain areas of St. Thomas, has helped eliminate the problem in Charlotte Amalie High School-Lockhart Elementary School complex.

School Lunch Program

The program, vital to the development of sound nutritional eating habits in our schoolchildren, is operated on a shared responsibility basis and administered by Federal and local government agencies.

The operation involved 33 facilities and provided a well-balanced type A lunch daily to 9,482 students in kindergarten, elementary, and high school. Headstart, VISTA, and title I projects were also included in the program.

One hundred and fifty-seven food-service workers, including cooks, kitchen managers, and an administrative staff of nine, were involved in the program. Working as a team they served 1,584,919 type A lunches through 33 kitchens.

There was a total of 116 full administrative reviews and 47 partial reviews at St. Thomas, St. Croix, and St. John.

The overall insular appropriation for fiscal 1966-67 was \$631,704, and the Federal grant was \$118,208.

Seven enrollees from the Neighborhood Youth Corps were given food-service training and one was assigned to office training.

Bureau of Public Libraries

The bureau, under the Department of Education, includes a main library in St. Thomas with a part-time branch in Frenchtown, and full-time branches in Cruz Bay, St. John, Christiansted, St. Croix, and Frederiksted, St. Croix. Recently the libraries in St. Croix extended their hours of services from 9 a.m. to 9 p.m., a schedule equal to that of the main library in St. Thomas.

During fiscal 1966-67 library service expenditures totaled \$172,004, approximately 2½ percent of the budget of the Department of Education. The Virgin Islands has received Federal grants since 1956, to which local matching funds were contributed as re-

quested by each legislature. This source provided services for bookmobile units in St. Croix, St. John Public Library, Frenchtown Public Library, books and materials, and personal services.

Funds earmarked for the restoration of the present Christiansted Public Library Building have been allocated. A State plan for construction under title II was submitted and approved and funds have been received, matched, cumulated, and reserved for this purpose, totaling \$77,362.

Major achievement of the bureau was its participation in the establishment in March of an instructional materials center, made possible by Federal funds. The center was used by subject supervisors to develop materials needed for workshops and in their general supervisory duties. Six-week instructional media workshops were held on St. Croix and St. Thomas for 60 participants. This year's "Books on Exhibit" with 4,000 new publications of K-12 books was a success, though many thought the time of the exhibit was too short. Recommendations and general aides were extended to the ESEA title I programs in the selecting, evaluating, and processing of \$28,000 of elementary school library books for the public schools. Title I library aides were also given 2 weeks of in-service training in library procedures to improve their effectiveness. Two demonstration workshops were conducted in the selection and utilization of media in the classroom for 60 public and private school teachers at the College of the Virgin Islands.

In addition to providing larger sums for title I in public library service and title II in public library construction, the 89th Congress established authorization for three new programs. Title IV-A is designed to encourage the States to establish or improve library services within State institutions, title IV-B seeks to improve library services

to physically handicapped persons unable to read convenient printed materials and title III (interlibrary cooperation) seeks to promote the establishment and maintenance of local, regional, State, or interstate cooperation networks of libraries which would assure effective coordination of all types of library services. It is meant to coordinate all federally aided spending in all categories for library service in each State. This is designed to coordinate services in order to avoid duplication and ineffectual spending, with a view toward combining efforts and benefits through increased discounts resulting from cooperative buying on statewide level as well as on interstate scale. Details of the activities and programs to be established under title III are now being prepared and will be set forth in the State plan.

The quality of library personnel has improved. Two library school graduates were employed, others who are also called librarians have at least the bachelor's degree and experience in some phases of library service. Professional standards and general upgrading of all personnel continue to be bureau objectives.

Vocational Rehabilitation

Vocational rehabilitation services are available to all Virgin islanders

who are physically or mentally disabled to such an extent that the disablement constitutes an employment handicap.

Handicapped persons receive services through two offices located in St. Thomas and St. Croix. Federal funding at a ratio of 75-25 percent has been responsible for the major rehabilitation activities. During the fiscal year, 76 handicapped persons were successfully rehabilitated as compared to 58 the previous year. The Virgin Islands placed ninth in rank, by State, in the number of rehabilitations per 100,000 population in 1966. The sheltered workshop in St. Croix, now supported by local funds, accommodates employees who are not expected to move into outside employment, but who are successfully producing saleable items in the workshop setting.

In February 1967, a sheltered workshop for the handicapped was established in St. Thomas, where eight handicapped persons are being evaluated and trained. Plans are in motion to serve at least thirty clients within the workshop for the next 2 years.

Three severely handicapped persons were sent to the Institute of Physical Medicine and Rehabilitation in New York where they received treatment, therapy, and training in the activities of daily living.

College of the Virgin Islands

Personnel:

Teaching Faculty: 32

Administrative Faculty: 18

Other Staff: 49

Operating Appropriation: \$934,477

Growth in Enrollment

The College of the Virgin Islands continued to have a high rate of growth during fiscal year 1967. The fall enrollment of full-time students numbered 229, an increase of 79 percent from last year's enrollment; there were 700 enrollees in the division of continuing education, an increase of 17 percent; and the full-time equivalency is now 461, a 49-percent increase over the previous academic year.

4-Year Programs

The transition of the college to 4-year baccalaureate status was of major concern during this fiscal year. The design of a 4-year curriculum occupied much of the nonteaching time of several faculty committees appointed by the President.

Special Programs

The college continued to add to the cultural growth of the community, successfully sponsoring an artists and lecturers series, exhibitions of paintings by local artists, music programs, theatrical productions, and a film series. The college was host to a reception

given by the Governor during the Virgin Islands' semicentennial celebration.

The college took an active part in aiding the government in demonstrating the facilities and qualifications of the islands to mainland-based agencies evaluating various sites as potential centers of marine research and oceanography. It will continue to play an important role in these rapidly expanding fields with the opportunities afforded to the Virgin Islands by their graphic location and natural resources.

Increased responsibility for the administration of Federal educational and research programs was vested in the college. The Peace Corps, the Bureau of Sports Fisheries and Wildlife, the Bureau of Commercial Fisheries, and various offices and agencies of the Department of Health, Education, and Welfare have increased their utilization of the college's administrative staff and faculty. This is indicated by the fact that during fiscal year 1967 the college was responsible for the fiscal management of over \$1,340,000 in Federal funds for various research and educational projects.

One of these projects, especially significant to the islands, is the Upward Bound program, a precollege program for secondary school students. There is

a full-time summer Upward Bound program and a followup program during the school year. The purpose of this program is to motivate high school juniors and seniors who might not otherwise consider a college education possible. Another such activity is the college's cooperation with the Peace Corps training programs on St. Thomas and St. Croix in an effort to aid in regional development.

Continuing Education

The division of continuing education has grown in significance as well as in size. This program allows many adults who previously had no opportunity for higher education to develop their skills and interests by formal education and training. It also has great appeal for the increasing numbers of people who retire and come to live in the U.S. Virgin Islands.

Building Program

The building plans reported on last fiscal year have been realized with construction underway on women's residence halls, a library, and faculty quarters. A nursing building will be

the next unit constructed under the college's master building plan.

Activities on St. Croix and St. John

During this past fiscal year the college assumed full responsibility for the U.S. Department of Agriculture Federal Extension Service. A new director has been recruited, and the service is carrying out livestock, crop, youth, and home economics programs aimed at serving the needs of the U.S. Virgin Islands.

The college acquired a long-term lease of property within the Virgin Islands National Park on St. John. A fisheries laboratory is being constructed on this site with Federal and local matching funds under the Federal Accelerated Public Works program. This laboratory will become the property of the Virgin Islands government and will be operated by the college as a part of its Virgin Islands ecological research station. Through this medium and through the Caribbean Research Institute, the college manifests its interest in the fields of oceanography, marine biology, and related sciences.

Department of Health

Personnel: 804

Operating Appropriation: \$7,612,764

The state of health and medical care in the Virgin Islands continued to be excellent during the fiscal year. There have been no epidemics or outbreaks of serious illnesses, although two cases of malaria were found in servicemen who has recently returned from Vietnam. There was a rise in the number of vehicular accidents.

A bureau of health insurance and medical assistance was organized Feb-

ruary 1, 1966, to implement the program known as medicare. The Knud-Hansen and Charles Harwood Memorial Hospitals, plus the Ingeborg Nesbitt Clinic were certified as providers. An estimated 29,048 persons have indicated eligibility for medicare, representing 60 percent of the total population. Its augmentation now involves a good majority of the population in medical care programs.



Pediatric nurses and aides at the Knud Hansen Memorial Hospital in St. Thomas join their young patients during the recreational period in one of the children's wards.

A children and youth program to provide comprehensive health care for the children of the islands, particularly those of low-income families, was inaugurated this year.

Unprecedented demand for fast and accurate information has placed new burdens upon the managerial staff. Urgently necessary is the establishment of new administrative techniques to handle additional workloads.

More and better trained medical and office personnel has been recruited although the department's requirements have not been fully met due to the scarcity of qualified professional men and women.

New and appropriate steps have been taken to safeguard our communities from the impending hazards of water and air pollution.

New Health Centers

Construction of two new medical and public health facilities, one for St. Thomas and one for St. Croix, is to commence in early 1968. Planning is proceeding on schedule and is now in the final stages. Cost of drawings, specifications, and sites thus far amount to \$2,068,649.21.

Bureau of Vital Records and Statistical Services

In accordance with the provisions of the vital statistics law, this bureau performed the usual routine services of registration of vital events, the verifi-

cation and certification of records, and the collection of reports of baptism, paternity acknowledgments, marriages, divorces, and adoption records. In addition, the bureau conducted a variety of studies for various individuals, agencies, and organizations.

In contrast to previous years which showed a steady increase in the birth rate, the past fiscal year revealed a decline. There were 1,956 live births as opposed to 1,999 in 1965. Of these, 49 percent were born to mothers from the British West Indies. There were 388 deaths, a decline of 29 reported in 1965. Due to the decrease in deaths and the increase in population, the death rate per 1,000 population is now 7.6 percent. As in previous years, heart disease is the leading cause of death, totaling 132. The following tables show deaths by age distribution and leading causes:

AGE DISTRIBUTION OF DEATHS

Years	Number	Percent
Under 1.....	60	15.4
1 to 4.....	5	1.3
5 to 14.....	8	2.1
15 to 24.....	10	2.6
25 to 44.....	36	9.3
45 to 64.....	99	25.5
65 to 74.....	60	15.4
75 to 84.....	64	16.5
85 and over.....	41	10.6
Unknown.....	5	1.3
Total.....	388	100.0

LEADING CAUSES OF DEATH

[Rate per 100,000 population]

Causes	Number	Rate	Percent of all deaths
1. Diseases of the heart.....	132	259.5	34.1
2. Diseases of early infancy.....	49	96.3	12.6
3. Neoplasms.....	43	84.5	11.1
4. Accidents, poisonings, and violence.....	37	72.7	9.5
5. Diseases of the nervous system and sense organs.....	35	68.8	9.0
All other causes.....	92	180.9	23.7

LEADING CAUSES OF INFANT DEATHS

[Rate per 1,000 live births]

Causes	Number	Rate	Percent of all deaths
1. Prematurity.....	24	12.3	40.0
2. Asphyxia and atelectasis.....	9	4.6	15.0
3. Ill-defined diseases ¹	8	4.1	13.3
4. Pneumonia (all types) ¹	8	4.1	13.3
All other causes.....	11	5.6	18.4

¹ Tie for third.

SUMMARY OF VITAL STATISTICS—VIRGIN ISLANDS AND EACH ISLAND, 1965 AND 1966

[Birth, death, marriage, and divorce rates per 1,000 population. Infant, neonatal, maternal, and fetal death rates per 1,000 live births.]

	1965						1966					
	Virgin Islands		St. Croix		St. John		St. Thomas		Virgin Islands		St. Croix	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Live births.....	199.9	40.2	858	39.0	50	37.1	1,091	41.4	1,956	38.5	860	37.3
Deaths.....	417	8.4	200	9.1	16	11.9	201	7.6	388	7.6	181	7.8
Infant deaths.....	60	30.0	20	23.3	2	40.0	38	34.8	60	30.7	23	26.7
Neonatal deaths.....	45	22.5	16	18.6	2	40.0	27	24.7	49	25.1	16	18.6
Maternal deaths.....	0	0	0	0	0	0	0	0	0	0	0	0
Fetal deaths.....	72	36.0	22	25.6	0	0	50	45.8	71	36.3	28	32.6
Marriages.....	595	12.0	257	11.7	.....	.....	1,338	12.2	641	12.6	327	14.2
Divorces.....	249	5.0	73	3.3	.....	.....	1,176	6.3	293	5.8	90	3.9

¹ Includes residents of St. John.

Division of Hospitals and Medical Services

From the first of the fiscal year the Knud-Hansen Memorial Hospital concentrated a major effort toward implementing the medicare program. The hospital provided the necessary office space, equipment, and initial clerical assistance to set up the medical assistance eligibility unit located in the institution. Impediments in the smooth operation of that program, plus in other areas, have been encountered. One of these lies in the lack of sufficient space. Additionally, because of this primary lack, it is difficult to recruit all the necessary qualified staff.

Through renovation, conversion, or elimination of certain functions, provisions were made for an admitting office, medical assistance office, pediatrics examination room, eye clinic, urology and surgical clinics, the last by relocation.

There were 5,647 admissions, 5,612 discharges, and 45,659 total days of care to inpatients. These were all increases. Overall deaths of 136 equalled last year's figure, but of this number newborn deaths were reduced from 34 in 1966 to 24 in 1967. There were 1,250 surgical operations of which 609 were major and 641 minor cases. Laboratory examinations totaled 74,372. X-ray examinations numbered 13,626. Emergency room visits of 22,959 and hospital outpatient clinic visits (excluding those of public health held in the hospital) of 21,688 also reflected the growth and utilization of facilities and services.

Important strides were made in the Charles Harwood Memorial Hospital in St. Croix. A new appointee was named to fill the position of director of health services for St. Croix, with responsibilities to consist of organizing the professional staff, making a survey of equipment needs, and setting up

standard procedures. Accordingly, the medical staff was reorganized into services of surgery, medicine, obstetrics, and pediatrics and a chief of each service plus staff assigned.

Committees required by the Joint Commission on Accreditation of Hospitals were made fully functional. All necessary steps have been taken to fulfill requirements for accreditation, and formal request for inspection by the joint commission has been made.

A 32-bed addition commenced on May 1, 1967. This will greatly alleviate congestion and provide space for ancillary services such as a modern physiotherapy department and medical library.

Due to better diagnostic procedures, an increasing number of tumors have been detected, leading to the formation of a tumor board under the aegis of the American College of Surgeons.

Plans have been drawn and are awaiting provision of extra funds for the much needed expansion of the emergency room; approximately 1,000 patients per month are processed therein. A survey was made of equipment needs and special funds obtained from the Virgin Islands Legislature to purchase up-to-date equipment. Modern X-ray diagnostic machinery is in the process of being installed.

The workload of the hospitals in St. Croix continued to increase in all areas. Charles Harwood Memorial Hospital handled 2,706 admissions, 698 births, 13,275 outpatient clinic visits, and 16,625 emergency room visits. The Ingeborg Nesbitt Clinic handled 771 admissions, 199 births, 6,658 outpatient clinic visits, and 6,414 emergency room visits.

Division of Public Health

The budget of this division increased \$1,595,823. Local funds were \$806,282. Federal grants increased to \$490,869. The matching funds, \$298,672.

Of major importance was the division's designation as the Virgin Islands agency for comprehensive health planning, and certification of its home care program to participate in medicare and medicaid benefits.

Among the many highlights of progress were: The creation of a bureau of finance and a bureau of physical medicine and rehabilitation; the awards of two public health project grants consisting of tuberculosis control program and comprehensive immunization project; the development of a cytological examination program and the revival of the venereal disease control project. Additionally, activities included the administration of a total of 22,696 immunizations of DPT, polio, DT, smallpox, and measles; demonstration among approximately 1,000 schoolchildren of tropical fluoridation by the division's bureau of dental health services with cooperation of consultants from the Universities of Indiana and Puerto Rico; the offering of courses, in conjunction with the National Communicable Disease Center, in community epidemiology and community action; the application of procedures for the control of food-borne diseases; the

publication and distribution of "Horizons in Family Planning." The last is significant evidence of the views held by the Virgin Islands Department of Health that family planning is an important facet of public concern.

The division's bureau of environmental sanitation continues to vigorously pursue its program of eliminating the *Aedes aegypti* mosquito. The index has been markedly reduced, almost to zero, in St. Thomas and St. Croix. It is expected that this disease-carrying insect will be eradicated within the year, as it is already on St. John. The bureau performed a major role in the passage of the Virgin Islands Water and Air Pollution Control Acts and established a program for determining water quality standards for the coastal waters of the islands. Following receipt of a comprehensive plan for sewerage and its disposal in St. Thomas and St. Croix, for which a contract was let during the previous fiscal year, it filed applications with the Federal Department of Housing and Urban Renewal for grants for engineering plans. The following tables show the type of sewerage used in each of the three towns of the Virgin Islands:

Charlotte Amalie:

Total properties with dwellings.....	2,410
Percentage with pits.....	6.7
Percentage with nightsoil.....	22.9
Percentage with septic tanks.....	3.4
Percentage connected to sewer.....	65.5
Percentage using public toilets or with no facilities.....	2.4
Percentage with pit or sewer and nightsoil and sewer.....	.9

Christiansted:

Total properties with dwellings.....	736
Percentage with pits.....	4.8
Percentage with nightsoil.....	18.9
Percentage with septic tanks.....	3.4
Percentage connected to sewer.....	77.8
Percentage with pit and sewer or nightsoil and sewer.....	4.9
Percentage using public toilets or with no facilities.....	0

Frederiksted:

Total properties with dwellings.....	342
Percentage with pits.....	8.8
Percentage with septic tanks.....	0
Percentage with nightsoil.....	.6
Percentage connected to sewer.....	93.0
Percentage with pit and sewer or nightsoil and sewer.....	2.4
Percentage using public toilets or with no facilities.....	0

*Division of Maternal and Child
Health and Crippled
Children's Services*

This division is the agency within the Department of Health that is responsible for planning, promoting, implementing, coordinating, and supervising services for maternity patients and children from birth to 21 years. The former involves organization and/or improvement of prenatal and postnatal clinics; improvement of the standards of obstetrical personnel and facilities; payment for certain aspects of maternity care such as clinical services, as well as hospital services for eligible patients. The latter involves the promotion of health services; prevention of diseases through health supervision, immunization, guidance and counseling; diagnostic and treatment services including medical, surgical, and rehabilitative needs. The number of visits totaled 18,498. These consisted of 5,996 well child clinics, 5,499 prenatal clinics, 5,859 crippled children clinics, 780 allergy followup, 208 specialized pediatric clinics and 156 medical followup.

A measure of success was achieved in the recruitment of personnel. Two pediatricians and two nurses were added to the staff. However, shortage of professional staff still remains acute. In particular, the clinical services of two rural clinics of St. Croix were adversely affected. The problem has been somewhat alleviated by diverting a physician from St. Thomas to St. Croix. Difficulties caused by lack of field nurses to service schools is being abated by the Department of Education which is hiring nursing personnel. Also, with the advent of the comprehensive care program for children and youth, additional nursing services are being made available. After a long vacancy, the position of chief social worker was filled.

Demonstrations were held in well child conferences and group meeting on proper nutrition, the lack of which constitutes a major health problem. Special emphasis was placed on juvenile obesity, diabetes in pregnant women and anemia, which is frequent in Virgin Islands maternity patients.

The scope of the speech and hearing clinics maintained by the division was enlarged by the addition of a hearing aid clinic. Potential hearing aid users are evaluated, ear mod impressions made and aids selected, fitted, and maintained.

An instructor of pediatric nursing from the University of California was invited to the Virgin Islands to conduct a workshop in pediatric nursing for a 2-week period in St. Thomas and 2 weeks in St. Croix. Changes resulting from these workshops proved the investment to have been worthwhile.

Eminent pediatrician, Dr. William Thurman, professor and chairman of the University of Virginia and head of the Children's Rehabilitation Center in Charlottesville, was invited to conduct clinics in the Virgin Islands. He saw children who may benefit from a rehabilitation program, as offered in most centers, and has offered the facilities of Charlottesville's center to children of the islands. Plans to accommodate eligible youngsters are in progress.

Major achievement of this division was effected when it made application—and complied with requirements—for funds available under Public Law 89-97 for improvement of maternal and child health services. The division developed two projects—the maternal and infant care project and the children and youth project. Both were approved by the Children's Bureau of the U.S. Department of Health, Education, and Welfare on March 1, 1967, although only the latter could be funded. The project was

allotted \$1 million in Federal funds which amounts to 75 percent of the estimated cost of operations for the first 15 months, to June 30, 1968; the remaining 25 percent to be matched by the local government.

The children and youth project will provide coordinated and comprehensive health care to approximately 20,000 Virgin islanders, plus aliens, up to 21 years of age. It will involve a combination of health promotion, dental and medical care including caseloads, preventive health, diagnostic and treatment services, correction of defects and followup. The services will be designed to assure completeness and continuity in the health supervision of each child and will be provided either directly or through coordination with local health, education, and welfare agencies. Project funds will make it possible to employ much needed additional medical, dental and paramedical personnel, and supporting staff to supplement existing facilities, as well as to develop new and adequately equipped facilities including the use of mobile units.

It is estimated that while actively supervising the health of these children and youth, the project can expect to provide additional treatment to 4,000 or 5,000 of these individuals. It will eventually be staffed with approximately 100 personnel, of which 25 will constitute headquarters staff, the remaining 75 being almost equally divided into district staffs for St. Thomas and St. Croix. Rental space, to be renovated, has been acquired in St. Thomas. In St. Croix land and building structures, donated to the local government for health or education purposes, has been assigned for this project.

A manual of proposed program plans for the project has been written and is now being revised. Steps con-

cerning administrative activities are being taken, involving such matters as recruitment, establishing personnel records, payroll, fiscal management, and staff orientation.

Division of Mental Health

The division expanded services and therapy techniques, particularly in regard to children and youth. A comprehensive Diagnostic-Evaluation, Training, and Activity Center for mentally retarded children was established, in which 21 youngsters were admitted. A special training program in which art therapy plays a major role was developed. Achievements of this program were particularly dramatic, especially pertaining to children who had been nonverbal or who had had limited vocabularies.

Workshops were conducted and psychological consultation services were provided for VISTA volunteers assigned to work with preschool children. Similar assistance was offered to teachers of nongraded classes through a series of bimonthly workshops. Mental health personnel also participated in training of public library staff in special library services to slow learners and mentally retarded children.

A psychologist was assigned to the Insular Training School in St. Croix, who conducted psychological evaluations in addition to consultation. In the absence of a psychiatrist for the NP ward, clinical staff contributed consultative services to the unit on a regular basis. The division assigned to the ministerial association, upon its request, a psychologist to conduct weekly seminars at which the churchmen present "problem cases." The seminars also include lectures and discussions on psychopathology.

A mental health education materials specialist was added to the staff, who

composed five booklets and several scripts for radio-TV programs on social adjustment and mental health.

Against this background of specialized programs and activities, the division continued to handle an ever-increasing workload in clinical services, to include social, psychological, and psychiatric evaluation; individual psychotherapy; group psychotherapy for both inpatients and outpatients; fol-

lowup and supportive therapy for alcoholics.

Arrangements were made with McGill University for a psychiatrist to spend 9 months in the Virgin Islands collecting data for a report on "The Epidemiology of Mental Illness in the Virgin Islands." A preliminary chapter on the incidence of schizophrenia in the islands has already been submitted to this division.

GENERAL COMPARATIVE STATISTICS OF HOSPITALS AND MEDICAL FACILITIES OF THE U.S. VIRGIN ISLANDS, FISCAL YEARS 1961 AND 1967

	1961	1967
Number of beds.....	197	231
Number of bassinets.....	39	41
Total admission.....	5, 984	10, 014
Total days of care.....	56, 506	77, 457
Births in hospital.....	1, 138	2, 087
Deaths in hospital.....	198	313
Stillbirths in hospital.....	51	55
Surgical cases.....	519	1, 722
Emergency room and outpatient visit.....	46, 680	87, 619
X-ray examination.....	10, 826	26, 822
Laboratory examination.....	78, 322	146, 163
Operating expenses MCH/CC programs.....	\$276, 877	\$660, 897
Operating expenses children and youth project (for 18 months).....		\$1, 500, 000
Planning for new health centers through bid documents.....		\$2, 068, 649
Hospital staff:		
Physicians.....	29	52
Specialists (included above).....	14	25
Nurses.....	104	156
Practical nurses.....	42	78
Orderlies.....	12	35
Dentists.....	3	8
Pharmacist.....	2	4
Public health physicians.....	1	23
Public health nurses.....	25	72

Bureau of Business Management

Major improvement has been evident in the accounting procedures this year. With the assistance of the Department of Finance, it was possible to maintain subsidiary ledgers for the several programs of community health operating with Federal grants and local matching funds. The use of program codes for all accounts, other than the health revolving fund, was instituted on July 1, 1966.

During the coming year, it is to be expected that efforts at further improvement will continue. However, the need for additional accounting staff is critical. Recruitment is becoming increasingly difficult. Because of inadequate space the staff in St. Thomas is located in widely separated offices. It is hoped that this situation will be erased when new quarters for the the MCH&CC staff becomes available.

During the year, some improvement in the procurement of supplies and

equipment was evidenced. This was due to the increased use of term contracts, the acquisition of additional oxygen tanks, closer check on drugs and medicines with expiration dates, and use of GSA contracts. Because of the continuous problem of getting scheduled deliveries, there is an increasing need for adequate storage facilities on both islands, 5,000 square feet in St. Thomas and at least 4,000 square feet in St. Croix. Present demands of the hospitals can justify the employment of a procurement clerk at each hospital to provide the administrators the assistance needed in processing requisitions, receiving reports, and all procurement documents.

A personnel technician for St. Croix was added to the staff. Along with the personnel technician on St. Thomas, efforts were initiated to coordinate all personnel matters in each district through the personnel technicians. The effective development of this program in St. Thomas is hindered by the distant location of the activity away from the records, files, and activity of the Bureau of Business Management. Two major efforts ahead of this activity are the development of a manual of procedures for the information and guidance of division heads, bureau directors, and employees generally, and the establishment and maintenance of a perpetual inventory of employees. This latter project must be programed for electronic data processing. The need for prompt and accurate management information is critical. This need cannot be met with manual tabulation of the employees of the department including, in addition to the hospitals, community health and administrative staff, the employees of federally supported projects such as *Aedes aegypti* control, the children and youth project

and the Neighborhood Youth Corps program.

The provision of operating quarters for the motor pool on St. Croix with a hydraulic hoist became a reality during the year. The supervision of this activity has been greatly improved and some former problems and difficulties have been resolved. Eight new vehicles were acquired during the year. Two vehicles were replaced on St. John. The absence of maintenance service on St. John requires continued service of the vehicles by the mechanics from St. Thomas.

Boards and Commissions

The Board of Medical Examiners met four times during the fiscal year. Nine candidates took local State board examinations. Five passed and licenses were issued accordingly, and four failed. All funds presently collected from examinations are deposited in the general treasury. This amounts to several thousands of dollars annually, none of which can be used for discharging the responsibilities of the board. It is evident that there is need for direct appropriations enabling the board to transact its business without exacting personal sacrifices from members and secretarial help.

The Board of Nurses Registration and Nursing Education, consisting of five members, conducted four meetings. It established minimum requirements for the associate degree nursing program; surveyed nursing programs in both major islands and revised application blanks and temporary permits. Two licensing examinations were given; 55 licenses were issued to registered nurses, 19 to practical nurses. Ninety-five applications were processed. There were 197 renewal registrations; 162 in St. Thomas, 105 in

St. Croix, and 52 out of State. Fees for licenses and renewals totaled \$1,385.

The Board of Dental Examiners held four meetings. It agreed to recommend an addition to its bylaws and to waive the written portion of the board examination to any applicant who had successfully received national board certification during the current 2-year period in which he was seeking admission to the board in the Virgin Islands. It entered into an agreement with the Council of the National Board of Dental Examiners to supply the examinations and correct them. Services involving applicants performed in connection with the operations of the board totaled 89.

The Board of Pharmacy met six times. Fitness testing examinations were given to nine candidates, three of whom passed and were subsequently registered. Results on the balance have

not yet been determined. In accordance with provisions of the Virgin Islands Code, temporary licenses were issued to 10 pharmacists formerly from the mainland and Puerto Rico. Eight candidates for the license of assistant pharmacist were examined and passed, and issued licenses. Two candidates upon application were issued licenses as interns. The board members inspected personnel, equipment, and overall conditions of four new drugstores, one in St. Croix, the balance in St. Thomas. Discrepancies were noted and brought to the attention of the proprietors for immediate correction. The Pharmacy Service for region III of the U.S. Department of Health, Education, and Welfare commended the Virgin Islands Board of Pharmacy for its past actions which have brought high-quality legislation and pharmaceutical practices to the islands.

Department of Social Welfare

Personnel: 296

Operating Appropriation: \$2,222,445

General

In fiscal year 1967, the department moved toward completion of a number of projects already underway, and continued its efforts to improve existing services and initiate new programs to meet changing and growing needs throughout the islands.

Construction of new cottages at the insular training schools for boys and girls in St. Croix was completed, and the new buildings were dedicated on May 10, 1967. This addition includes a complete living and training complex for boys 16-21 years of age and similar facilities for girls.

The first modern day-care center was completed on the Islands of St. John in November. It is staffed and operated by the department and is providing care for 35 children.

A new home for the aged to replace the old Queen Louise Home on St. Thomas is under construction, with completion expected late in 1967. This facility will house 60 persons, twice the number that can be accommodated in the present home. A complete landscaping project is underway at the Herbert H. Grigg Home for the Aged in St. Croix.

Public assistance grants were increased for most recipients during the year. Certification of all eligible persons under title XIX (medicaid) has been

completed, and the program which was begun in July 1966 is now fully operative.

The department's programs of summer employment for Virgin Islands students interested in careers in social work, and scholarship grants for graduate training in social work for regular employees have aided greatly in recruitment and retention of casework and supervisory staff.

Special efforts have been continued by the administration, the legislature, and the department to secure removal of the present unfavorable matching formula and ceiling limitation for Federal participation in the Virgin Islands public assistance program.

Division of Family Services

During the past year, major emphasis has been given to: (1) the implementation of title XIX (medicaid); (2) the simplification of methods and procedures affecting determination of need and assessment of income and resources; (3) improving the level of public assistance grants; (4) developing a project on homemaker and home aide services, a greatly needed service in the community; and (5) revision of the Public Assistance Manual.

New rates for public assistance grants were put into effect as of March 1, 1967. Grant increases re-

sulted for approximately 43 percent of persons receiving assistance. Cases receiving the greatest grant increase were in the Aid to Families with Dependent Children (AFDC) category. The aver-

age monthly increase was \$31.51 in such cases. Reinterpretation of existing policies has resulted in a more liberal determination of eligibility for assistance in all cases.

CASELOAD DISTRIBUTION BY DISTRICTS

Category	Caseload 7-1-66		Added during year		Closed during year		Caseload 6-30-67	
	St. Croix	St. Thomas-John	St. Croix	St. Thomas-John	St. Croix	St. Thomas-John	St. Croix	St. Thomas-John
Old age assistance.....	245	170	19	27	42	23	222	174
Aid to families with dependent children.....	204	105	69	63	42	39	231	129
Aid to the blind.....	5	5	0	0	2	1	3	4
Aid to the disabled.....	20	25	7	7	2	7	25	25
Medical assistance.....	197	219	(1)	(1)	(1)	(1)	(1)	(1)
Total Federal.....	671	524	95	97	88	70	481	332
General assistance.....	103	83	26	19	37	32	92	70
Grand total.....	774	607	121	116	125	102	573	402

¹ Medical assistance (MAA) to the aged was omitted in the report for fiscal year 1967 since the entire program was absorbed by the establishment of title XIX—medicaid.

COMPARISON OF CASELOADS AND EXPENDITURES

Category	Caseload		Number of persons added		Expenditures	
	1966	1967	1966	1967	1966	1967
Old age assistance.....	502	461	502	461	\$212, 887. 30	\$197, 374. 25
Aid to families with dependent children..	414	441	1, 263	1, 765	286, 399. 67	384, 171. 25
Aid to the blind.....	11	10	11	10	4, 508. 25	4, 295. 25
Aid to the disabled....	56	59	56	59	24, 228. 50	22, 914. 25
General assistance.....	258	231	258	231	92, 554. 66	83, 969. 55
Total.....	1, 241	1, 202	2, 090	2, 526	\$620, 578. 38	\$692, 724. 55

COMPARISON OF CASELOADS, 1963-67

Category	June 1963	June 1964	June 1965	June 1966	June 1967
Old age assistance.....	491	461	450	423	400
Aid to families with dependent children....	1, 032	1, 156	1, 039	1, 263	1, 441
Aid to the blind.....	15	15	10	10	10
Aid to the disabled.....	92	90	55	47	50
Medical assistance ¹	480	496	469	402	(¹)
Total Federal.....	2, 110	2, 218	2, 023	2, 145	1, 901
General assistance.....	160	163	202	189	162
Grand total.....	2, 270	2, 381	2, 225	2, 334	2, 063

¹ Medical assistance (MAA) to the aged was omitted in the report for fiscal year 1967 since the entire program was absorbed by the establishment of title XIX—medicaid.

NUMBER OF RECIPIENTS AND AVERAGE PAYMENT BY ISLAND—MAY 1967

Category	St. Thomas			St. John			St. Croix			Total	
	No. of recipients	Average payment to recipient	No. of recipients	No. of recipients	Average payment to recipient	No. of recipients	No. of recipients	Average payment to recipient	No. of recipients	Average payment to recipient	No. of recipients
Old age assistance.....	150	\$36.97	23	23	\$34.31	229	402	\$39.62	402	\$38.32	402
Aid to families with dependent children.....	498	27.87	39	39	20.57	884	1,421	28.81	1,421	28.26	1,421
Aid to the blind.....	6	30.29	0	0	0.00	4	10	42.00	10	34.98	10
Aid to the disabled.....	22	38.31	2	2	39.75	25	49	40.27	49	39.59	49
Total.....	676	30.27	64	64	26.11	1,142	1,882	31.28	1,882	30.74	1,882
General assistance.....	64	39.08	6	6	38.29	85	155	39.50	155	39.26	155
Grand total.....	740	31.03	70	70	27.14	1,227	2,037	31.84	2,037	31.39	2,037

In all categories of public assistance, 227 cases were closed during the year and 237 opened. The number of persons aided during the year increased by 436, and expenditures increased by \$72,146.17 to a total of \$692,724.55, most of this in the aid to families with dependent children category.

Division of Child Welfare

Child welfare services are provided to children in their own homes, in foster homes, adoptive homes and institutions. During the past year, services

have been expanded and improved in all areas, including increased day care facilities; approval of family day care homes; cooperative services to the juvenile and domestic relations courts, and improved and enlarged facilities at the insular training schools for boys and girls. Additions to the supervisory staff have resulted in a higher standard of casework services.

Services were provided to 1,741 children during the year (St. Croix, 896; St. Thomas, 845) as compared with 1,492 last year and 1,419 the previous year.

CASELOAD DISTRIBUTION BY DISTRICT OFFICE

	St. Croix	St. Thomas	Total
Children receiving assistance July 1, 1966.....	419	341	760
Children accepted for service during year.....	228	303	531
Children discharged during year.....	—288	—248	—536
Children receiving service June 30, 1967.....	359	396	755
Total number of children receiving service during year.....	896	845	1, 741

Foster Family Care

Approximately 221 children were helped through foster family care. To improve the quality of services, monthly board rates were increased \$10 per month per child for private foster homes; \$7 per month for group care; and \$17 per month for nursery care. Group and nursery care are provided by the Queen Louise Home for Children in St. Croix, operated by the Board of Lutheran Missions.

Institutional Care

Services to children at the Youth Care Center have been strengthened through the cooperative efforts of the district office casework staff and VISTA volunteers. The latter group provided recreation, special reading

classes, arts and crafts, and cooking classes. Temporary detention and residential care was provided for 97 children.

Insular Training Schools.—Two additional cottages, one for 26 girls 10–16 years old, and one for 26 boys 16–21 years old, were dedicated in May. The Neighborhood Youth Corps and the Job Corps will assist the older boys with vocational training. Care was provided for 65 children (50 boys, 15 girls).

Day-Care Services.—The department is subsidizing four day-care centers (St. Thomas 3, St. Croix 1) and two family day-care homes (St. Thomas). A newly constructed government-operated center in St. John was opened in November. Services were provided for a total of 175 children (St. Croix 18, St. Thomas 157). A

formal orientation and in-service training program for day care personnel proved an asset to the program. Health, educational, and social services were expanded and improved.

Virgin Islands Commission on Youth.—At the 1967 first special session of the legislature, the title and membership of the commission were changed, and its functions and duties redefined. The commission now consists of 17 members. Its major project during the year was the joint Puerto Rico-Virgin Islands Youth Commissions Conference held in St. Croix on May 18 and 19. Youth participation highlighted the program.

Division of Aging and Special Programs

Approximately 5,000 Virgin Islanders are 65 years of age or older. They represent nearly 10 percent of the total population. During the past year, the division has placed major emphasis on enriching the daily lives of those older persons receiving services through the department. Social services have been expanded and, through the addition of a group worker to the staff, an expanded recreational program has been undertaken. Civic organizations and local business concerns have participated in a number of community projects for the aged initiated by this division.

Homes for the Aged.—St. Thomas—the Queen Louise home, with a capacity of 29, was filled during the entire year. The new Queen Louise Home, with a capacity of 60 beds, is nearing completion and occupancy is expected by December 1967. The Corneiro Home, a shelter-care home, provided housing for 29 residents. A program of medical and personal care, and social and recreational activities, was organized for residents of this facility. Considerable improvements were made to buildings and grounds.

St. Croix—Herbert Grigg Home.—This multifunction institution (home for the aged, nursing home, and home for crippled and disabled) provided care for 123 residents. In-service training for all staff and employment of a full-time physician have greatly upgraded services. Exterior and interior painting of all buildings was completed, and an extensive landscaping program was undertaken.

Aldersville.—This home, consisting of 31 units, provided shelter care for 29 persons. Extensive repairs were made to each unit.

Special Programs

Surplus Foods Program.—This program is operated in accordance with the agreement entered into with the U.S. Department of Agriculture. The division was again highly commended

CASELOAD DISTRIBUTION IN HOMES FOR AGED

	Queen Louise Home	Corneiro Home	Herbert Grigg Home	Aldersville
Residents 7/1/66	25	27	119	27
Added during year	13	3	33	5
Closed during year	9	3	28	5
Residents 6/30/67	29	27	124	27
Total receiving services during year .	38	30	152	32

by the regional office in Atlanta, Ga., for its operation during the year.

The nutritional value and the uses of surplus commodities were brought into focus by a booklet, "A Guide to Nutrition Education for Recipients of Government Donated Commodities." This booklet was prepared by the staff's nutritionist and distributed to all recipients of surplus commodities.

The program cooperated with the division of family services, title V program and the Department of Education in giving demonstrations on the preparation and use of federally donated foods.

Distribution of commodities to institutions and needy families was made from nine centers (St. Croix 6, St. Thomas 1, and St. John 2). At the end of the fiscal year the caseload was 1,286 families which represent 3,914 persons.

The following chart shows the

amount of commodities distributed during 1966-67:

<i>Commodities</i>	<i>Amount distributed by pound</i>
Beef.....	2, 441
Beans, dry.....	35, 443
Butter, creamery.....	4, 908
Butter, peanut.....	24, 440
Cheese.....	270
Flour, wheat.....	82, 685
Margarine.....	48, 438
Meal, corn.....	73, 670
Meat, chopped.....	62, 289
Milk, nonfat dried.....	139, 581
Oats, rolled.....	16, 128
Juice, orange.....	2, 640
Peas, split.....	19, 274
Raisins.....	28, 847
Shortening/lard.....	60, 744
Wheat, rolled.....	33, 138
Rice.....	144, 684

Cancer Care.—Virgin Islands patients continue to receive services at the Dr. I. Gonzalez Martinez Oncologic Hospital.

The following table shows the activities of the cancer program during the year:

	Beginning of year		New cases		Hospitalized		Outpatient visits to clinic		Discharged/died		End of year	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
St. Thomas.....	3	24	2	4	6	5	13	11	1	1	4	27
St. Croix.....	7	17	2	6	8	14	23	30	13	3	6	20

Burials.—Burial services for indigents continued to be provided by contract with funeral homes in St. Thomas and St. Croix. There were 71 requests and 51 were approved for service (St. Croix, 36; St. Thomas, 15).

Services to Mentally Ill.—The division continues to act as liaison for Virgin Islands patients at St. Elizabeths Hospital in Washington, D.C., and their relatives in the Virgin Islands. Five patients returned home during the year.

Services to the Blind.—Talking books and machines are being used by the blind at the various institutions and in their homes.

Sewing Projects.—With the employment of a supervisor for the St. John district office, the project is producing greatly improved garments for which there has been an increasing demand. Numerous articles of clothing

were made, especially for the homes for the aged. School uniforms were made for children of indigent families known to the Division of Child Welfare and Family Services.

During the coming year, the department expects to activate fully staffed juvenile court and probation units within the Division of Child Welfare. Further expansion of day care centers is expected. The Division of Family Services and Child Welfare will accelerate planning for early implementation of the homemaker program. Plans are already underway to expand and strengthen the department's personnel services and research and statistics operations. Appointment of members to the Advisory Commission on Aging was recently completed, and every effort will be made toward establishment of new programs for the aged under the Older Americans Act.

Department of Commerce

Personnel: 111

Operating Appropriation: \$1,513,212

The Department of Commerce, through the operation of its principal divisions of trade and industry, marine activities, and the visitors bureau, continued to serve as the government's principal tool for the fostering of economic development.

Also contributing to the total picture of the islands' rising prosperity are a number of important operations within the Department of Commerce which have not as yet reached division proportions. These include the Virgin Islands rum council, on-islands public relations, fishing and water sports promotion, the beautification council, the industrial incentive board, and three off-island information centers.

Tourist expenditures stood at \$75,035,860 for the year, as compared with \$59,456,245 in fiscal year 1966. Banking activity maintained a steady growth, and external trade set new records as imports increased 21 percent over the previous year.

Visitors Bureau

For the third consecutive year, more than a half a million visitors came to the Virgin Islands, with the number of cruise ships reaching another record high. A total of 296 cruise ships called at St. Thomas, with 28 visiting St. Croix. Total cruise ship passengers for

the year numbered 133,357, as compared with 117,659 in fiscal year 1966.

Due to popularity and demand, the islands' primary guide to the trade, the "Travel Agent's Handbook," was revised and updated, and continues to be the most informative publication of this nature.

Inquiries at both the New York and Washington offices of the visitors bureau were ahead of the previous year. In New York, mail, telephone, and visitor inquiries totaled 81,053 for the year, compared with 75,640 inquiries during the previous fiscal year. Individual, agent, and bulk literature distribution totaled 341,587 pieces, compared to 199,160 for fiscal 1966.

Diversified special projects involving members of the Washington and New York staffs included preparations for the annual cruise ship company solicitations and the staffing of the Virgin Islands mobile travel show.

The department's San Juan office during the year gave priority to serving the most active hotels and travel agents in that city from whom much of the traffic into the Islands is generated. This office has been represented at all conventions of 250 persons or more meeting in the San Juan area, and servicing 16 such gatherings that saw a total of 13,385 persons in attendance.

The following tables reflect the growth of tourism over the past 5 years:

TOTAL TOURIST EXPENDITURES

1962-63.....	\$41,070,000
1963-64.....	48,158,074
1964-65.....	54,014,852
1965-66.....	59,456,245
1966-67.....	75,035,860

AIR TRAFFIC

1962-63.....	215,809
1963-64.....	285,610
1964-65.....	356,371
1965-66.....	436,775
1966-67.....	516,295

CRUISE SHIP TRAFFIC

	Number of ships	Passengers
1962-63.....	169	67,573
1963-64.....	261	¹ 110,625
1964-65.....	238	² 109,341
1965-66.....	255	³ 117,659
1966-67.....	296	⁴ 133,357

¹ Includes 31 ships which also visited St. Croix.

² Includes 16 ships which also visited St. Croix.

³ Includes 28 ships which also visited St. Croix.

⁴ Includes 28 ships which also visited St. Croix.

Advertising Activities

During the year a "special island" theme, selling all three Virgin Islands, was developed for consumer and trade press advertising. National magazines such as the New York Times Sunday Magazine, Newsweek, Time, Esquire, and Ebony, were utilized for both tourism and rum advertising. In addition, newspapers in 15 key market areas were used for advertising purposes.

Special promotions conceived by the islands' advertising agency during the year included a special Virgin Islands dinner-dance at the American Society of Travel Agents convention in Seattle, Wash., and the creation, design, and execution of the Virgin Islands mobile

travel show currently touring the United States. Between April 24 and December 6, 1967, the mobile travel show will have visited 22 major U.S. cities, as well as Toronto, Canada.

A special 40-page insert was run in Travel Weekly Magazine promoting the islands as vacation sites. An eight-page section was also published in the Boston Globe newspaper, and special sections run in Washington, Miami, and New York dailies.

A separate advertising campaign was also promoted in various fishing, skin-diving, and yachting magazines. A skin-diving advertisement, for example, accounted for 2,000 reader inquiries.

The national advertising campaign for the coming fiscal year will be highlighted by the use of television for the first time in the New York and Washington markets.

Office of Fishing and Water Sports

The year saw continued expansion of services and facilities accommodating deep sea fishing, scuba diving, and boating enthusiasts. Such services catered to more people than during any previous year. The office aided a large number of writers and photographers, with the October 1966 issue of Sports Afield devoting a major article to Virgin Islands fishing. The department ordered and utilizes as distribution literature 5,000 reprints of this issue, as well as reprints of a popular article on St. Croix diving that appeared in the March 1967 issue of Skin Diver.

Marine Division

An important development within the marine division was the establishment of a cadet pilot training program. The harbor patrol program was

stepped up and there was closer supervision of all government-owned piers, docks and bulkheads in the islands. The division also instituted strict enforcement of the antilitter law as it relates to these marine installations.

With a \$300,000 appropriation from the legislature, repairs and improvements were affected at the Frederiksted deepwater pier. Also during the year a 260-foot section was added to the King's Wharf marginal wharf in Christiansted.

An increased interest in boating in the Virgin Islands was reflected in the growing number of motorboat registrations. An additional 189 motorboats were registered in St. Thomas during the year, bringing the total number to 886. On St. Croix this number increased from 771 in fiscal year 1966 to 838 for fiscal 1967.

Total gross income from all marine activities in the islands increased from \$427,456.98 in fiscal 1966 to \$467,421.52 in fiscal year 1967.

Harbor Statistics

St. Thomas-St. John:	
Number of commercial arrivals.....	2, 599
Number of cruise ships. . .	268
Tourist passengers on cruise ships.....	125, 058
Gross tonnage of commercial arrivals.....	6, 843, 414
Number of motor boats registered.....	189
Total motorboat registration.....	866
Navy vessel arrivals.....	115
St. Croix:	
Number of commercial arrivals.....	1, 499
Number of cruise ships. . .	20
Tourist passengers on cruise ships.....	7, 934
Gross tonnage of commercial arrivals.....	1, 836, 680
Number of motorboats registered.....	67
Total motorboat registration.....	438
Navy vessel arrivals (Frederiksted).....	32

REVENUES

St. Thomas-St. John:	
Wharfage fees.....	\$56, 704. 30
Tonnage dues.....	131, 878. 17
Pilotage fees.....	60, 397. 50
Mooring fees.....	10, 753. 49
Motorboat registration fees.....	4, 330. 00
Total gross income.....	<u>264, 063. 46</u>
St. Croix:	
Wharfage fees.....	126, 860. 61
Tonnage dues.....	34, 671. 95
Pilotage fees.....	24, 043. 80
Mooring fees.....	16, 856. 70
Motorboat registration fees.....	925. 00
Total gross income.....	<u>203, 358. 06</u>

Rum Council

The mainland rum market in general continued in a trend that will assure a doubling of sales every 10 years. The total apparent consumption of rum in the United States rose to 2,709,049 cases in calander year 1966, or a gain of 9.4 percent over the 2,476,400 cases in 1965. The current prospect is that in 1968 total rum volume will rise above the 3 million case mark. On this basis, rum sales for the decade 1958-68 will show an increase of 13.7 percent. Rum increased its share of the entire liquor market from 2.2 percent in 1965 to 2.3 in 1966, providing the Virgin Islands an excellent product for promotion.

The Virgin Islands rum industry increased from 1,225,865 proof-gallons of rum shipped to the United States in fiscal year 1966 to 1,296,040 in fiscal year 1967, or a 5-percent rise in such exports.

During 11 months of fiscal 1967, the collections of excise taxes on importations of rum into the United States from the Virgin Islands exceeded the total of fiscal 1966 by \$54,001. Estimating the excise tax return for the last month of the fiscal year at a conservative \$850,000, the returns to the Virgin Islands government should be over \$12 million for fiscal 1967.

Virgin Islands Beautification Council

The council coordinated with the Department of Public Works and the Department of Public Safety in tagging and removing abandoned vehicles throughout the islands on a continuing basis. New committees were established within the council for such projects as plant propagation, neighborhood beautification, community action, and educational efforts on behalf of beautification.

The council retained a supervising foreman and consultant landscaper who will supervise and develop a plant nursery for the islands' beautification programs. The landscaper will oversee the designs to enhance public buildings and town areas for all islands. The council instituted an intensive clean-up-paint-up campaign and interested the College of the Virgin Islands in instituting a course in horticulture.

Division of Trade and Industry

As over the past 5 years, such economic indicators as tourism, manufacturing, power generation, bank deposits, and government revenues, reflected substantial gains during the year.

New records were attained in external trade activity. Combined imports from the mainland and foreign countries totaled \$137,720,755, representing an increase of 21.14 percent over the previous year. Total exports were valued at \$56,144,017, a 52.6-percent increase over fiscal year 1966.

With the opening of two additional banks during the year, a total of 17 branches were operative in the islands. Bank deposits totaled over \$100 million, representing a figure 30 percent higher than the 1966 yearend figure.

The division participated with Puerto Rico in a trade mission to Curacao in June of 1967, and in the course of the year issued two publica-

tions—a 1965 comprehensive business directory, and a revised "Facts About Doing Business in the U.S. Virgin Islands."

Industrial Incentive Board

At the end of fiscal 1967, there were 80 tax-exempt operations functioning in the islands, of which 38 represented hotels, guest houses, or motels, and 42 represented small businesses. These operations employed an estimated 3,227 persons with an annual combined payroll of \$11 million.

Subsidy payments to tax-exempt businesses increased during the year. Other increases registered were in custom duty payments which rose \$126,753.96 over the previous year; dividend claims by \$5,000; and income tax refunds by \$251,607.40. Subsidy rebates were extended to all tax-exempt manufacturing businesses on excise taxes paid on raw materials in the amount of \$696,173.04.

The board held eight public hearings and eight executive sessions during the year. Forty-seven applications were heard, with 11 firms being recommended for tax exemption. Four firms were granted conditional documents; three granted extensions of conditional documents; and two granted extensions of permanent certificates. Three certificates were transferred; six applications held for further study; and eight firms denied tax exemption. Twenty firms were granted permission to exceed alien ceilings, and one certificate was amended.

A current compilation of all tax exempt firms, indicating the period of exemption, and each specific subsidy and exemptions granted to each individual firm, was undertaken and will be distributed to all agencies directly connected with this program. This will aid in establishing a more uniformly coordinated handling of all grants.

Department of Agriculture

Personnel: 234

Operating Appropriation: \$1,486,126

This is the second year that the Department of Agriculture has been separated from the Department of Labor. The development of a sound and constructive relationship between the farmers and their government may be considered to be among the most significant accomplishments of this department during the past fiscal year. This confidence has been manifested through the development of customized service programs made available to the farmers and the communities.

Agriculture

Recognizing the need for more effective agricultural practices in the islands, the administration has cooperated by appropriating funds to implement these practices. Accepting the challenge of a diminishing agricultural industry, the Department of Agriculture has been strengthened by increases in the following areas: Facilities for transporting heavy equipment, land preparation machinery, machinery for maintenance programs, forage harvesting and transporting machinery, and highly qualified personnel to conduct the different services.

During the second half of this fiscal year, the islands suffered from another severe drought. The administration and the Department of Agriculture

cooperated to meet the emergency. Using funds appropriated for emergency drought relief, 347 tons of special formula cattle feed were distributed to 446 full- or part-time farmers. This feed was made available to them at 50 percent of the market price. In addition, the forage harvesting machinery of the department protected against economic disaster to the livestock industry of the island. With their pastures almost completely ruined by the drought, the livestock farmers were able to secure loads of feed from trailers on a daily basis. No animal deaths during this period can be attributed to starvation.

The food production program assisted farmers and other citizens engaged in the production of food crops and animals. Through this program, almost 100,000 pounds of vegetables were produced and marketed for eight farmers of St. Croix. They were assisted by the agriculture department in land preparation, mechanical planting, spraying for pests, harvesting and marketing. As a result of this program, many market outlets are now available for more of St. Croix's produce.

The land preparation service provides one of the most important services available to the farming population. The inventory of farming equipment has been increased, but additional units and operators are still

needed for land preparation. During this period 103 full- or part-time farmers on over 300 acres received this service. The fee charged is about one-third of the commercial price, and without the service many farmers would be forced out of the farming business.

A service initiated during this fiscal year provides for the extermination of the *Nasutitermes costalis*, a termite commonly known as the woodlice. It will save thousands of trees from death, restore their beauty, or bring them back into production. At the close of this reporting period, 1,691 nests had been exterminated.

Brush control.....	1,600 acres.
Chiseling and subsoiling.....	356 acres.
Farm ponds (dams).....	5,500,000 gallons.
Pipelines for water (livestock and irrigation).....	9,605 feet.
Land clearing.....	704 acres.
Pond or dam sealing or lining.....	3 each.
Rock barriers.....	504 feet.
Recreation area land grading and shaping.....	235 acres.
Troughs or tanks.....	7 each.
Wells (livestock and irrigation).....	14 each.

Beautification

The construction of a new plant propagation shed was begun near the end of this fiscal year. The propagation center will accommodate the recently developed forestry program and will be used for future highway beautification. Extensive propagation of native fruit trees will begin in the near future.

*Division of Recreation,
Parks and Beaches*

Positive results were noted during the year in the division's efforts to develop wide-range programs in recreation that would reach all levels in the communities. Athletic standards were upgraded, and the Virgin Islands athlete is now being trained to compete in international sports competition.

St. Croix Abattoir

A total of 3,704 animals was slaughtered at the St. Croix abattoir. This figure represents an increase of 318 animals over last year's operation. Significant repairs to this plant were accomplished by the maintenance personnel of this department.

*Soil and Water Conservation
Service*

The following soil and water conservation practices were accomplished under the unified agricultural conservation program for the Virgin Islands:

During the year, extensive renovations were made to the Lionel Roberts Stadium in St. Thomas and the Paul E. Joseph Stadium in Frederiksted, St. Croix. These two facilities now meet certification standards of the American Baseball League. As a result, two major league teams played exhibition games at both stadiums during semi-centennial observances in March.

Following surveys undertaken by the Puerto Rico Park Commission, other recreational sites in the islands were renovated and improved. The Carenage ball park in St. Thomas was lighted for night recreational activities, and major improvements effected at the Smith Bay and Nadir sites on that island.

Recreational centers throughout the islands expanded their services during the year, providing programs in arts

and crafts, dancing, table games, and other indoor recreational activities. Over 100 youths participated in the summer daycamp program, and 300 in the Little League and Pony League baseball games. Several hundred adults participated in the men and women softball leagues.

In the area of beach development, the Stony Ground Coral Resort in the Frederiksted district of St. Croix was put into operation during the year. The accommodations at this resort, which include a large outdoor swimming pool, are used extensively by all age groups.

The requirements of the Virgin Islands semicentennial observance stimulated the remodeling and upgrading of all parks. New bandstands were con-

structed in the parks of Charlotte Amalie and Frederiksted. The latter facility was further improved with the addition of new concrete walks and benches.

In the period covered by this report, the Virgin Islands State plan for outdoor recreation was completed and thereafter received Federal approval. Federal funds available under this program will be matched with local appropriations for the further development of recreational facilities and areas throughout the islands.

Preliminary plans place emphasis on the development of the Altona Lagoon Beach in St. Croix and the John Brewers and Mandahl Beaches on St. Thomas.

Department of Labor

Personnel: 58

In its operations during the first full fiscal year of its existence, the department, created as a separate agency October 1, 1965, concentrated on organization. There has been a consistent effort to upgrade the professional quality and performance of the staff in order to implement the government's policy of promoting the welfare and employment opportunities of workers. Techniques have been refined to maintain stable labor-management relations and to insure a climate in which the economy can move forward with vigor.

The department encompasses six divisions with activities ranging from veterans affairs to unfair labor practices. Such a diversified program presents obligations which require a highly trained staff.

To recruit such a staff and to assure prudent progress, the department turned to the New York State School of Industrial and Labor Relations at Cornell University for the type of professional guidance which only such an institution could provide. As a first step, the school assigned the task to the New York City Center. Conferences have been held with qualified authorities. A preliminary survey already has been made, the end product of which will be the presentation of a master blueprint for the department.

In the meantime, in-service training programs are being planned and conducted for the staff.

Operating Appropriation: \$421,660.89

The department has been successful in reducing work stoppages which last year deprived the economy of a total of 22,000 man-hours. By contrast, there was only one strike this year: that involving porters at the Harry S. Truman Airport in St. Thomas. After only 2 days and the loss of only 160 man-hours, the strike was resolved following the intervention of the labor department.

Division of Labor

Expansion of industry and increased union activity has brought about sharpened sophistication resulting in more exacting demands on the department in all phases of labor-management relations under the Fair Labor Standards Act (ch. 3, title 24, Virgin Island Code). A significant improvement in payroll inspections has been the development and refinement of statistics which now permit the department to assess more effectively the value of payroll inspection as one barometer of the economic progress of the Virgin Islands.

During fiscal 1966-67, 1,636 payroll inspections were conducted in 836 business enterprises, showing a total of 10,721 employees. These inspections revealed that \$11,471.83 was due employees who were underpaid during this period (an increase of \$3,513.27 or 44.12 percent over fiscal 1965-66).

Three hundred and twenty-nine complaints were filed by individual employees, resulting in the payment by employers of \$13,642.19 in back wages.

Representation Cases

During 1966-67, the department issued nine certifications to the Virgin Islands Labor Union, AFL-CIO as bargaining representative of employees.

Unfair Labor Practice Cases

Only six unfair labor practice charges were filed with the department during the year. Fewer cases were filed because the department resolved many problems in their initial stages. Where charges were filed, every effort was made to effect a settlement through mediation. Another factor in the reduced number of charges has been the growing awareness that more is to be gained by peaceful resolution than by work stoppages.

The number of complaints filed under local residence preference statutes also was lower than in fiscal 1965-66. This, again, was due in large measure to the efforts of the department to settle the question of alien employment where occupationally qualified residents were available. In fiscal 1966-67, the department issued 10,600 alien certifications. Under local statute, the department's responsibility is to determine and certify the extent to which the alien is necessary to the work force.

Applications for Employment

Ever since the establishment of the department, residents in increasing numbers have come seeking employment in practically all classifications and types of industries. This has been due, in part, to the responsibility of the department for the implementation of

residence preference provisions of the statute, a fact not lost on the job-seekers. Duplication and evident cross-purposes in this area and others point up the ever-increasing necessity to unify the programs and functions of employment security into the Department of Labor, as is the case in 43 of the 50 states.

Division of Apprenticeship and Training

The year showed a sharp increase in the number of apprentices in training. A total of 97 registered, 48 under the Federally subsidized on-the-job training program. In addition to the 97 full-time trainees, four high school students have entered part-time training programs in clerical work, radio and television engineering, architectural drafting, and air conditioning and refrigeration. These programs are carried out with the cooperation of 27 employers in St. Thomas and St. Croix.

Eight students also are receiving advanced training through the off-island institutional training program for Virgin Islands trainees in technical schools in Humacao, Cayey, Mayaguez, Arecibo, and Ponce, Puerto Rico.

During the last week in June 1967, three trainees in St. Croix and four in St. Thomas received certificates indicating a rating of journeyman as radio and television repairman, automotive mechanic, electrician, electrical and control technician.

A significant forward step in the apprenticeship program was the execution of an agreement between the Virgin Islands and the U.S. Department of Labor, pursuant to the Manpower and Training Act of 1962, which provides for the reimbursement of the Virgin Islands government for the development, installation and servicing of all Manpower Development and Training Act and on-the-job training

contracts negotiated within this territory.

The increased demand for trained personnel in the trades is being recognized, as indicated by the rise in the number of trainees, and in the number of business establishments with which contracts for the training of students have been entered into.

Division of Veterans Affairs

The Division of Veterans Affairs had one of its most active fiscal years since its establishment. During 1966-67, the division made 4,397 personal contacts and responded to more than 2,000 inquiries from veterans in person, by mail, and by telephone.

As a result of the legislation passed this year, veterans received transportation expenses in excess of \$1,000 in connection with their study on the mainland. Studies are now being conducted to determine the feasibility of a veterans hospital in the Virgin Islands. When these studies are completed, application will be made to proper officials. Also during the period, the division explored the possibilities of extension of all benefits of the GI bill to Virgin Islands veterans, with encouraging results.

Workmen's Compensation

Workmen's compensation costs totaling \$319,139.77 reflected a sharp rise over the previous year total cost of \$274,182.57. This was due to three cases involving unusually serious and extensive injuries, for which large awards had to be made, and to increased medical costs generally. For the first time in the history of the Virgin Islands, compensation benefits were awarded for "traumatic cancer." Occupational safety in the public as well as the private sector continued as an

important phase of this division, which conducted 3,800 inspections throughout the year. The broad bases of workmen's compensation have been and will continue to be cash compensations, high-quality medical care, medical rehabilitation, and accident prevention. Construction continues to present the highest number of accident cases: 754 in 1966-67, for which awards totaling \$172,003.60 were made.

Virgin Islands Wage Board

The Virgin Islands Wage Board met on a number of occasions during the fiscal year, to consider a minimum wage for resident employees. Certain difficulties, among which were functional differences between the Department of Labor and the Employment Security Agency, have prevented final resolution of this study and the board decided to table, for the present, any detailed discussion of local minimum wage revision.

Virgin Islands Commission on the Status of Women

The Virgin Islands Commission on the Status of Women, created by the legislature in 1966, composed of 11 members, appointed by the Governor, met monthly until May 1967. One member resigned in 1967.

The commission is organized into nine main committees as follows: Legal status and legislation, minority women, political and social action, home and community, education, labor, health and recreation, consumer education and protection, and moral development. One hundred and ten citizens have been invited to serve as committee members. The commission is the Virgin Islands government's closest link with the U.S. Department of Labor, Bureau of Women.

Members attended the 1967 National Conference of Commission on the Status of Women from 49 states and joined in their recommendations to the Secretary of Labor and the Secretary of Health, Education, and Welfare on policy matters relating to the welfare of women in the Federal level.

The commission held a public hearing on the high cost of food in the Virgin Islands and recommended the encouragement of competition by inducing large food chains to establish businesses in the islands. The committee of labor of the commission held a hearing on the question of ability of the working women with children to absorb the new minimum wage for domestics. The commission recommended to the Governor that a statistical study of the women of the islands be made since none now exists. It recommends to the legislature that a training program for unskilled workers be initiated, and the establishment of more day-care centers for the islands.

The commission is currently studying the following with a view toward recommending legislation:

1. The relationship between education and labor and the areas of deficiency as they affect women.

2. The feasibility of a consumer education program for the islands.

3. The political potential of women in the islands and ways to encourage their active participation.

4. The question of sex discrimination in employment and the promotion of women workers in the Virgin Islands and the need for an equal pay act.

5. The need for extension of the national household training program to the Virgin Islands to improve the quality of domestic service.

6. The need for a homemaking service for retired and aged persons.

7. The need to extend the government's recreation program to include

women who work as a health measure, and the need for female staff in the government's program.

8. The need to protect the consumer by regulation of credit and lending agencies, and by regulation of the quality of food sold.

9. The problems of minority women workers.

Division of Recruitment

During fiscal 1966-67, 53 Virgin islanders were recruited and now are established in positions in government and private industry. The magnitude of this task becomes apparent when it is considered that recruitment, of necessity, encompasses every phase of the returnee's life—housing, family, education, and employment. In every case, the contact is but the preliminary step. By the time the applicant arrives in the Virgin Islands, he not only has been placed in a position, but also all other factors have been fully explored. Continuing effort goes into all unresolved matters.

Another equally significant achievement of this year was the development of the internal procedures necessary for the effective processing of loans and grants under applicable statutes. In this connection, the office of the attorney general provided valuable guidance and much help toward the preparation of standardized legal documents. In addition, the division, in cooperation with the finance department, completed details of the collection procedures, a necessary step in the processing of loans.

Housing continues to pose the most difficult of the problems to which the recruitment program must address itself. Second in importance is the difference in the salary scale between those on the mainland and the Virgin Is-

lands. One example is found in the salary of a nurse's aide, which is \$5,000 per year in New York and ranges from a beginning salary of \$3,324 to \$4,644 after 5 years here. As the recruitment

program progresses, a number of solutions to the problems will be recommended. Given effect, these will strengthen the program and widen its scope of effectiveness.

Virgin Islands Employment Security Agency

Personnel: 59

Operating Appropriation: \$499,134

Employment Service

The Virgin Islands Employment Security Agency continues to serve a constantly expanding labor force which stood at approximately 26,000 at the end of fiscal year 1967, an increase of about 10 percent over fiscal year 1966.

A reports and analysis division added to the agency now handles internal reporting and the dissemination of certain employment security data to other government agencies and to the public.

The employment service continued to function as the territory's primary manpower agency during fiscal year 1967. In addition to serving in its job placement function, matching workers to existing job openings, the agency worked to increase the employability of disenfranchised groups by developing their skills to full potential. This was achieved through intensive occupational testing, job development,

counseling, and by reference to such training programs as manpower development and training, Neighborhood Youth Corps, Job Corps, apprenticeships and training, and army graduate specialist program.

Nonagricultural placements for the year totaled 1,567, down 318 from fiscal 1966. However, the decline in this activity was more than offset by an increase in alien certifications which totaled 20,879, up 14,089 from fiscal 1966. In addition, during the last month of the fiscal year, some 600 temporary positions filled by alien workers were made permanent under new Federal procedures. The joint areas of counseling and testing registered sharp increases over levels of the last fiscal year, a direct result of the agency's efforts to increase applicant employability by developing human resources. A comparison between fiscal years 1966 and 1967 follows:

	Fiscal year 1966	Fiscal year 1967
Counseling interviews.....	402	520
GATB's.....	212	591
Special aptitude tests.....	15	201
Proficiency tests.....	70	216
Total labor force.....	23,374	25,501
Total employment.....	23,216	25,364
Placements.....	1,567	1,249
Alien certifications.....	6,790	20,879

Unemployment Insurance Service

The unemployment insurance service paid the largest amount in benefits and received the most from employers since the program began in 1962. Interstate agreements were signed with California and New Jersey, the home States of two major Virgin Islands industries. After working under an unwritten interstate understanding formed in 1952, the Virgin Islands and Puerto Rico signed a formal interstate agreement.

Towards the end of the year, the number of resident aliens filing and collecting benefits steadily increased. Bonded aliens are rapidly acquiring residential status under the new liberalized policy, and they presently constitute approximately 20 percent of the unemployment insurance active file.

Expansion in the personnel and office space requirements is expected when the potential increase of claims from veterans and resident aliens is realized. Towards the end of the first half of the fiscal year, a central accounting unit, handling all accounting functions, came into operation. Wage and contribution offices now deal exclusively with employers, collecting and contacting delinquents. Preparation is complete for launching an ongoing audit program.

Veteran Benefits

The enactment of the Veterans Readjustment Assistant Act of 1966 reflected the concern of the Congress for

the number of veterans due to return from the Vietnam conflict. Local offices updated their records to meet this new emphasis on ex-servicemen and their benefits and rights. During fiscal 1967, new applications for veterans showed a 30-percent increase over fiscal 1966.

Manpower Development and Training Act

Under the liberalized MDTA law, nine young men from the Virgin Islands were trained in Puerto Rico, four as diesel mechanics and five as business machine servicemen. Upon the completion of the courses, all obtained jobs in the Virgin Islands related to their training, with the exception of those entering military service. This offshore payment of MDTA trainees started in fiscal year 1966 and continued on a larger scale in 1967. The unemployment insurance service paid their allowances as fast as the claims were received, allowing them to continue their studies without concern for monetary problems.

Fiscal Summary

(a) Wage contribution:		
Number of employers . . .		1,732
Number of new employers		205
Total collected	\$1,020,492.18	
(b) Total claims filed all programs		
		866
Total collected by claimants	\$120,378.00	
(c) MDTA:		
Trainees		53
Training and allowances payments	\$26,158.05	

Department of Public Works

Personnel:

Permanent: 446

Per Diem: 1,202

Operating Appropriation: \$6,297,227.20

Special Projects: \$2,591,621.97

Matching Funds: \$4,124,317.75

During the fiscal year, the Department of Public Works substantially increased its activities in providing basic services of street and road construction and maintenance, provision of water, maintenance of water and sewer systems, construction and repair of governmental buildings, and operation of the public cemeteries. A total of \$6,297,227.20 was obligated for these functions as compared with \$4,998,000 in the previous fiscal year.

A total of \$4,124,317.75 was expended by the department on capital improvement projects under the matching funds program.

Road and Street Improvement

On St. Thomas, 9 miles of roads and streets were reconstructed and paved in concrete and 2 miles in asphalt. On St. Croix, 6 miles of Centerline Road were reconstructed, widened, and paved. Four miles of roads and streets were reconstructed and paved elsewhere on the island. An additional mile of Centerline Road on the Island of St. John was reconstructed and paved, together with extensive concrete paving of streets and secondary roads in Cruz Bay, John's Folly, and Coral Bay.

The islandwide program also included widening, upgrading, and re-

paving of roads and streets necessary to accommodate heavier traffic loads. The department is following the policy of utilizing concrete for the surfacing of all roads and streets constructed in areas of steep terrain, particularly on St. Thomas, and in areas where unusually heavy maintenance costs have been experienced.

Street Cleaning and Garbage Removal Service

Garbage and trash collection increased steadily on the three islands during the year, and this increase is expected to continue. Plans have been completed for the construction of an incinerator on St. John, and with the activation of a small temporary incinerator, open-pit burning of refuse has been eliminated. An engineering firm has been contracted to design an incinerator for St. Thomas that open-pit burning of refuse be eliminated at the Harry S. Truman Airport.

Water Supply

Extensions have been made to the fresh water distribution systems on St. Thomas and St. Croix, resulting in increased consumption. To cite an example, the demand on the St. Thomas distribution system has increased 450,000 gallons per day over the course of



Fiscal year 1967 saw continued progress in efforts to upgrade and maintain streets and roads throughout the islands. Here the Red Hook Road on St. Thomas is being widened and resurfaced by the Department of Public Works personnel.

the fiscal year, and further increases are foreseen.

The combined output of the St. Thomas desalination plants averaged 1 million gallons per day. However, in making allowances for periodical shut-downs of the plants, together with the steady increase in consumption, continued barging of water from Puerto Rico has been a necessity. That water reserve be extended from a 10- to 30-day supply, two 10½-million-gallon water tanks are being constructed on St. Thomas and one of like capacity on St. Croix.

On St. Croix, a 4½-mile waterline was constructed from the Adventure wells to Frederiksted, and in addition, a 2.3-mile waterline connecting the Fairplain and airport wells to the Barren Spot pumping station. This has resulted in connecting the Adventure, Fairplain, and Barren Spot wells to a pipeline which serves Frederiksted and Christiansted simultaneously.

Along with extensions to the urban water distribution systems on St. Thomas and St. Croix, parallel extensions to the sewerage and salt water systems have been made.

Engineering and Design

Along with all other activities of the Department of Public Works, engineering and design functions continued to increase. A total of 1,501 building permits was processed. Design and construction projects undertaken by the department included the Queen Louise Home, the Tax Division Annex, and an addition to the Office of the Governor. In St. Croix, building construction included the Insular Training School at Anna's Hope, the salt water pumping station near Christiansted, a new departmental shop for public works at Anna's Hope, reconstruction projects at the Alexander Hamilton Airport, and rehabilitation projects along the Christiansted waterfront.

Department of Finance

Personnel: 314

Operating Appropriation: \$1,846,254

The Department of Finance, in its role as the disbursing and chief fiscal agency for the government of the Virgin Islands, with the broad and specific powers granted to it under the laws of the government of the Virgin Islands, is affected by every fiscal activity undertaken by our government and every economic tremor felt in our islands.

In fiscal year 1967, the trend in governmental operations showed steady

and substantial increases in revenues and in expenditures, to levels never before experienced by the Virgin Islands in their history. This trend was the result of the continuing increase in economic activity throughout the islands reflecting and requiring increased governmental services.

Revenues collected in all funds involved in the operations of the government reached a total of \$61,504,681.33, recorded by fund groupings, as follows:

	Amount	Percent
General fund.....	\$35,682,115.99	58.02
Matching fund and essential projects fund.....	11,264,058.81	18.31
Special and other funds.....	14,558,506.53	23.67
Total.....	61,504,681.33	100.00

Collections into the general fund which is the major operating fund of the government were as follows:

Taxes.....	\$31,557,911.82
Government operating income.....	577,784.18
Other revenues.....	3,546,419.99
Total.....	35,682,115.99

Collections into the matching fund and the essential projects fund which are the recipient funds for Federal internal revenue taxes collected in the

United States on imports from the Virgin Islands, were as follows:

Internal Revenue returns..	\$11,073,732.26
Refunds.....	3,097.28
Interest on bank balances..	187,229.27
Total.....	11,264,058.81

Collections into the special and other funds (most of the trust and deposit funds and certain enterprise and revolving funds: e.g. the Virgin Islands lottery fund and the Government insurance fund, are excluded

because they have no direct bearing on the operations of the government as such) presented the following:

Taxes ¹	\$5, 632, 675. 77
Government operating income.....	687, 861. 98
Federal grants-in-aid.....	5, 737, 651. 71
Other revenues.....	2, 500, 317. 07
Total.....	14, 558, 506. 53

¹ This item includes \$5,100,216.82 of taxes held in escrow, a portion of which will consequently be transferred to the general fund to be available for appropriations. The rest will be available for subsidies.

Bond anticipation notes sold by the government of the Virgin Islands in fiscal year 1967 amounted to \$4,455,000. As of June 30, 1967, the government had borrowed, by this means, over the last 3 years a total of \$12,115,000.00 for the following purposes:

Schools.....	\$4, 700, 000
Hospitals.....	2, 000, 000
Water systems.....	1, 755, 000

Virgin Island water and power authority.....	\$3, 660, 000
Total.....	12, 115, 000

The ceiling on such borrowings has been set by the U.S. Congress (Public Law 88-180) at 10 percent of the aggregate assessed valuation of taxable real property in the Virgin Islands. This valuation amounted to \$158,729,-323 as of December 31, 1966.

The following information shows a comparison of the ceiling with local authorizations and actual borrowings:

Ceiling (10 percent of \$158,729,323).....	\$15, 872, 932
Authorizations (local statutes).....	13, 015, 000
Actual borrowings.....	12, 115, 000
Balance of authorizations.....	900, 000

Total expenditures, excluding inter- and intra-fund transfers, for all funds connected with the operations of the government amounted to \$61,197,858.-58. These are shown by fund groupings as follows:

	Amount	Percent
General.....	\$33, 878, 229. 18	55.36
Matching fund.....	7, 566, 840. 84	12.36
Essential projects fund.....	652, 915. 20	1.07
Special and other funds.....	19, 099, 873. 36	31.21
Total.....	61, 197, 858. 58	100.00

Total expenditures detailed by various departments and agencies of the government during fiscal year 1967, are as follows:

	Amount	Percent
Legislature, electoral boards, and municipal courts of the Virgin Islands.....	\$990, 076. 84	1. 62
Health.....	8, 350, 704. 23	13. 65
Education.....	9, 984, 648. 63	16. 31
Social welfare.....	2, 614, 083. 58	4. 27
Public safety.....	1, 893, 433. 67	3. 09
Public works.....	13, 889, 226. 18	22. 70
Agriculture and recreation.....	1, 404, 745. 50	2. 29
Labor.....	325, 270. 76	. 53
Housing and Urban Renewal.....	1, 533, 743. 40	2. 51
Commerce.....	1, 873, 126. 78	3. 06
Executive and administrative departments and agencies.....	18, 338, 799. 01	29. 97
Total.....	61, 197, 858. 58	100. 00

Additional details relating to revenues and expenditures are shown in exhibits I and II.

A 5-year comparison of total collections recorded in the general fund, the matching fund, and the essential projects fund is shown in exhibit III, and for the same period, and for the same three major funds, a comparison of expenses or obligations (expenditures against the current year's appropriations plus outstanding encumbrances) is shown in exhibit IV.

Supplementing the information presented in this report are two comparative statements of revenues and expenditures for all funds for fiscal years 1960 through 1967 (exhibits V and VI).

The revenue statement (exhibit V) shows revenues collected over an 8-year period (by categories) for all funds and the major fund groupings in which the deposits were made. This differs from exhibit III which shows total collections into three major fund groupings.

The expenditure statement (exhibit VI) shows total expenditures made by departments in the fiscal years designated, and the major fund groupings from which the amounts were expended. This also differs from exhibit IV which shows obligations (expenditures plus outstanding encumbrances) against appropriations for the particular fiscal years.

GOVERNMENT OF THE VIRGIN ISLANDS

ALL FUNDS

STATEMENT OF STANDARD GOVERNMENT OPERATING REVENUES

JULY 1, 1966, TO JUNE 30, 1967

Source of revenue	Total	General fund	Matching fund	Essential projects fund	Special and other funds
Taxes:					
Real property taxes.....	\$1,096,051.64	\$1,096,051.64			
Income taxes.....	22,927,642.74	22,927,642.74			
Inheritance taxes.....	820,962.75	820,962.75			
Stamp taxes.....	337,884.61	337,884.61			
Corporation franchise taxes.....	53,183.75	53,183.75			
Gasoline taxes.....	532,256.65				\$532,256.65
Gross receipts taxes.....	3,926,143.30	3,926,143.30			
Trade and excise taxes.....	2,396,245.33	2,396,043.03			202.30
Taxes held in escrow.....	5,100,216.82				5,100,216.82
Total taxes.....	37,190,587.59	31,557,911.82			5,632,675.77
Government operating income:					
Sewerage service charges.....	32,530.88	23,594.78			8,936.10
Water supply charges.....	429,128.66	404,699.86			24,428.80
Hospital service charges.....	498,812.52				498,812.52
Miscellaneous service charges.....	132,986.49	121,286.39			11,700.10
Sale of property and equipment including home-stead land.....	33,130.82	10,617.58			22,513.24
Court costs, fees, and charges.....	17,585.57	17,585.57			
Harbor dues and services.....	121,471.22				121,471.22
Total government operating income.....	1,265,646.16	577,784.18			687,861.98
Other revenues:					
Licenses, fees, and permits.....	1,103,772.51	868,791.76			234,980.75
Fines, forfeits, and penalties.....	86,134.00	20,541.00			65,593.00
Collections from U.S. customs.....	3,600,000.00	2,499,570.99			1,100,429.01
Rents and concessions.....	619,379.13	34,385.53			584,993.60
Federal contributions including Internal Revenue returns.....	16,811,383.97		\$11,073,732.26		5,737,651.71
Private contributions.....	48,837.93	155.35			48,682.58
Refunds and over deposits.....	104,141.38	26,829.00	777.77	\$2,319.51	74,215.10
Departmental services.....	20,604.03	5,279.14			15,324.89
Miscellaneous receipts.....	75,070.32	4,883.54			70,186.78
Interest on bank balances.....	579,124.31	85,983.68	183,734.26	3,495.01	305,911.36
Total other revenues.....	23,048,447.58	3,546,419.99	11,258,244.29	5,814.52	8,237,968.78
Total operating revenues¹.....	61,504,681.33	35,682,115.99	11,258,244.29	5,814.52	14,558,506.53
Loans:					
Bond anticipation notes....	4,455,000.00				4,455,000.00
Grand total.....	65,959,681.33	35,682,115.99	11,258,244.29	5,814.52	19,013,506.53

¹ Total collections into the general fund totalled \$40,689,938.37, which included \$5 million transferred from the matching fund, and \$7,822.38 collected as nonrevenue receipts.

GOVERNMENT OF THE VIRGIN ISLANDS

ALL FUNDS

STATEMENT OF STANDARD GOVERNMENT OPERATING EXPENDITURES

JULY 1, 1966, TO JUNE 30, 1967

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
Legislative:					
Legislature of the Virgin Islands:					
Operating.....	\$564,448.57	\$541,844.73	.....	.....	\$22,603.84
Capital improvements..	61,337.87	.....	\$61,337.87	.....	.....
Other.....	15,639.10	15,639.10	.....	.....	.....
	641,425.54	557,483.83	61,337.87	.....	22,603.84
Electoral boards:					
St. Thomas.....	24,827.84	24,827.84	.....	.....	.....
St. Croix.....	26,556.03	26,299.93	.....	.....	256.10
St. John.....	8,748.43	8,748.43	.....	.....	.....
Office of the supervisor of elections.....	40,877.30	38,630.02	.....	.....	2,247.28
	101,009.60	98,506.22	.....	.....	2,503.38
Total legislative.....	742,435.14	655,990.05	61,337.87	.....	25,107.22
Judicial:					
Municipal courts of the Virgin Islands.....	247,641.70	243,300.61	.....	.....	4,341.09
Executive offices and functions:					
Office of the Governor:					
Operating.....	287,758.73	265,024.11	.....	.....	22,734.62
Capital improvements..	61,198.01	37,395.51	23,802.50	.....	.....
Claims against the government.....	1,773.63	1,773.63	.....	.....	.....
Governor's contingent fund.....	89,854.58	89,854.58	.....	.....	.....
Promotion of agricultural products.....	2,377.44	2,377.44	.....	.....	.....
Teacher training and development.....	200,000.00	200,000.00	.....	.....	.....
Grants and contributions.....	3,002.68	3,002.68	.....	.....	.....
Other.....	1,538.00	1,538.00	.....	.....	.....
Office of the director of the budget.....	82,559.40	79,905.13	.....	.....	2,654.27
Office of the division of personnel.....	108,029.70	105,265.24	.....	.....	2,764.46
Retirement administration:					
Operating.....	23,932.14	23,932.14	.....	.....	.....
Pension payments.....	136,728.90	.....	.....	.....	136,728.90
Grants and contributions.....	392,575.00	392,575.00	.....	.....	.....
Office of the probation officer.....	57,251.57	56,590.12	.....	.....	661.45
Virgin Islands planning board.....	137,757.87	134,791.78	.....	.....	2,966.09
Office of the administrative assistant—St. Croix.....	132,984.70	127,236.58	.....	.....	5,748.12
Office of the administrative assistant—St. John:					
Operating.....	66,025.86	64,502.55	.....	.....	1,523.31
Other.....	8,584.00	8,584.00	.....	.....	.....
Operation of news bureau..	174,688.72	170,240.57	.....	.....	4,448.15
Governor's antipoverty program.....	22,764.10	2,764.10	.....	.....	.....
VISTA program.....	70,011.79	68,754.51	.....	.....	1,257.28
	2,061,396.82	1,856,107.67	23,802.50	.....	181,486.65
Office of the government secretary:					
Operating.....	320,421.08	312,031.24	.....	.....	8,389.84
Other.....	3,435.00	3,435.00	.....	.....	.....
	323,856.08	315,466.24	.....	.....	8,389.84
Department of Law.....	\$264,617.41	\$258,009.58	.....	.....	\$6,607.83

GOVERNMENT OF THE VIRGIN ISLANDS
ALL FUNDS
STATEMENT OF STANDARD GOVERNMENT OPERATING EXPENDITURES
JULY 1, 1966, TO JUNE 30, 1967

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
Department of Finance:					
Operating.....	\$1,703,964.34	\$1,671,610.26			\$32,354.08
Capital improvements.....	633,400.00		\$350,000.00	\$43,400.00	240,000.00
Refund of taxes, fees, and licenses.....	272,862.95	272,862.95			
Internal Revenue stamp tax refunds.....	166.26	166.26			
Unliquidated encumbrances.....	3,247.75	3,247.75			
Bonding of government officials and employees...	6,465.80	6,465.80			
Payment of interfund loans and interest.....	179,510.00	179,510.00			
Claims against the Virgin Islands government.....	24,615.49	15,405.55			9,209.94
Repair and maintenance of finance buildings.....	16,022.32	16,022.32			
Income tax refunds.....	737,745.39	737,745.39			
Law library fund purchases.....	1,368.50				1,368.50
Sugar cane subsidy.....	16,327.49				16,327.49
Molasses subsidy.....	30,303.74				30,303.74
Tax exemption subsidy.....	3,264,419.27				3,264,419.27
Interest payments and redemption of serial bonds.....	501,906.64				501,906.64
Fish and wildlife program. Semicentennial and Governors' conference...	31,462.73				31,462.73
Grants and contributions...	440,103.51				440,103.51
Other.....	2,505,303.00	1,465,303.00	1,020,000.00		20,000.00
	5,219.65	5,055.50			164.15
	<u>10,374,414.83</u>	<u>4,373,394.78</u>	<u>1,370,000.00</u>	<u>43,400.00</u>	<u>4,587,620.05</u>
Department of Property and Procurement:					
Operating.....	610,160.68	597,545.92			12,614.76
Capital improvements.....	415,972.29	2,779.00	3,398.00	44,920.00	364,875.29
Purchase of equipment and advertising for other departments.....	1,208,524.29	1,144,406.99			64,117.30
Grants and contributions...	110,000.00	110,000.00			
	<u>2,344,657.26</u>	<u>1,854,731.91</u>	<u>3,398.00</u>	<u>44,920.00</u>	<u>441,607.35</u>
Department of Health:					
Operating.....	5,668,179.63	5,550,546.86			117,632.77
Capital improvements.....	406,026.22		35,833.42		370,192.80
Public health service.....	1,764,222.61				1,764,222.61
Implementation of medicare.....	53,186.60	53,186.60			
Practical nurses training scholarship.....	39,894.73	39,894.73			
Neighborhood Youth Corps—out-of-school project.....	372,481.64				372,481.64
Grants and contributions...	33,261.10	33,261.10			
Other.....	13,451.70	13,451.70			
	<u>8,350,704.23</u>	<u>5,690,340.99</u>	<u>35,833.42</u>		<u>2,624,529.82</u>
Department of Education:					
Operating.....	5,231,927.06	5,134,411.97			97,515.09
Capital improvements.....	2,435,384.43		42,493.98	45,413.94	2,347,476.51
New York University project.....	11,150.00	11,150.00			
Peace Corps program.....	3,775.75				3,775.75
Vocational rehabilitation...	170,127.93				170,127.93
School lunch program.....	196,292.62				196,292.62
National defense education.	232,502.69				232,502.69
Special Federal grant to education.....	45,440.35				45,440.35
Manpower development and training.....	28,312.67				28,312.67
Rural libraries extension...	64,687.88				64,687.88
Vocational education.....	479,315.65				479,315.65
Headstart program.....	147,322.25				147,322.25
Adult basic education.....	42,810.89				42,810.89

GOVERNMENT OF THE VIRGIN ISLANDS
ALL FUNDS
STATEMENT OF STANDARD GOVERNMENT OPERATING EXPENDITURES
JULY 1, 1966, TO JUNE 30, 1967

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
Department of Education—Con.					
Elementary and secondary education.....	\$480,896.72	.....	.....	.....	\$480,896.72
Virgin Islands art program.....	29,462.39	.....	.....	.....	29,462.39
Neighborhood Youth Corps—in school.....	111,100.12	.....	.....	.....	111,100.12
Special education workshop for teachers.....	5,029.23	.....	.....	.....	5,029.23
Claims against the Government.....	15,000.00	\$15,000.00	.....	.....	.....
Grants and contributions..	254,110.00	254,110.00	.....	.....	.....
	<u>9,984,648.63</u>	<u>5,414,671.97</u>	<u>\$42,493.98</u>	<u>\$45,143.94</u>	<u>4,482,068.74</u>
Department of Social Welfare:					
Operating.....	1,459,994.47	1,429,944.69	.....	.....	30,049.78
Capital improvements.....	42,851.77	.....	42,851.77	.....	.....
Programs:					
Sewing project—					
St. John.....	9,500.85	9,500.85	.....	.....	.....
Public assistance.....	680,154.95	.....	.....	.....	680,154.95
Child welfare.....	112,127.38	.....	.....	.....	112,127.38
Cancer.....	20,152.15	.....	.....	.....	20,152.15
Corneiro home.....	18,176.75	.....	.....	.....	18,176.75
Medical pool.....	20,198.95	.....	.....	.....	20,198.95
Day-care facilities.....	59,585.69	.....	.....	.....	59,585.69
Emergency relief.....	776.79	.....	.....	.....	776.79
Foster care.....	113,806.70	.....	.....	.....	113,806.70
Work experience.....	37,883.24	.....	.....	.....	37,883.24
Aldersville home.....	17,752.94	.....	.....	.....	17,752.94
Grants and contributions.....	20,320.95	20,320.95	.....	.....	.....
Other.....	800.00	800.00	.....	.....	.....
	<u>2,614,083.58</u>	<u>1,460,566.49</u>	<u>42,851.77</u>	.....	<u>1,110,665.32</u>
Department of Public Safety:					
Operating.....	1,887,506.08	1,858,560.65	.....	.....	28,945.43
Civil defense.....	5,927.59	.....	.....	.....	5,927.59
	<u>1,893,433.67</u>	<u>1,858,560.65</u>	.....	.....	<u>34,873.02</u>
Department of Public Works:					
Operating.....	6,226,108.33	6,052,590.47	.....	.....	173,517.86
Capital improvements.....	7,655,325.37	446,433.30	4,994,666.82	261,440.58	1,952,784.67
Other.....	7,792.48	7,792.48	.....	.....	.....
	<u>13,889,226.18</u>	<u>6,506,816.25</u>	<u>4,994,666.82</u>	<u>261,440.58</u>	<u>2,126,302.53</u>
Department of Housing and Community Renewal:					
Operating.....	306,343.62	293,148.63	.....	.....	13,994.99
Capital improvements.....	1,084,750.50	.....	915,351.55	248.00	169,150.95
Grants and contributions.....	137,875.00	137,875.00	.....	.....	.....
Other.....	4,774.28	4,774.28	.....	.....	.....
	<u>1,533,743.40</u>	<u>435,797.91</u>	<u>915,351.55</u>	<u>248.00</u>	<u>182,345.94</u>
Department of Commerce:					
Operating.....	602,814.70	486,868.23	.....	.....	115,946.47
Capital improvements.....	9,685.00	.....	9,685.00	.....	.....
Advertising and literature..	825,466.00	825,466.00	.....	.....	.....
Marine and aviation services.....	342,416.63	.....	.....	.....	342,416.63
Promotion of fishing and water sports.....	38,283.37	38,283.37	.....	.....	.....
Promotion of Governors' conference.....	316.75	316.75	.....	.....	.....
Grants and contributions..	54,144.33	54,144.33	.....	.....	.....
	<u>1,873,126.78</u>	<u>1,405,078.68</u>	<u>9,685.00</u>	.....	<u>458,363.10</u>
Department of Labor:					
Operating.....	321,524.90	312,479.55	.....	.....	9,045.35
Grants and contributions..	1,000.00	1,000.00	.....	.....	.....
Other.....	2,745.86	2,745.86	.....	.....	.....
	<u>325,270.76</u>	<u>316,225.41</u>	.....	.....	<u>9,045.35</u>

GOVERNMENT OF THE VIRGIN ISLANDS

ALL FUNDS

STATEMENT OF STANDARD GOVERNMENT OPERATING EXPENDITURES

JULY 1, 1966, TO JUNE 30, 1967

Type of expenditure	Total	General fund	Matching fund	Essential projects fund	Special and other funds
Department of Agriculture and Recreation:					
Operating.....	\$1,135,241.28	\$1,113,122.74			\$22,118.54
Capital improvements.....	99,210.34	10,028.58	\$57,213.98	\$31,967.78	
Emergency drought relief..	23,355.55				23,355.55
Special conservation activities.....	29,974.41	3,577.81			26,396.60
Sports, fisheries, and wildlife program.....	10,523.06				10,523.06
Grants and contributions..	76,470.19	76,470.19			
Other.....	29,970.67	29,970.67			
	<u>1,404,745.50</u>	<u>1,233,169.99</u>	<u>57,213.98</u>	<u>31,967.78</u>	<u>82,393.75</u>
Employment Security Agency:					
Operating.....	265,475.39				265,475.39
Manpower development and training.....	26,344.65				26,344.65
	<u>291,820.04</u>				<u>291,820.04</u>
Unemployment Compensation Administration:					
Operating.....	159,857.60				159,857.60
Virgin Islands airport and Industrial Resources Agency:					
Operating.....	993,985.27				993,985.27
Capital improvements.....	1,417,061.42		10,205.95	225,524.90	1,181,330.57
	<u>2,411,046.69</u>		<u>10,205.95</u>	<u>225,524.90</u>	<u>2,175,315.84</u>
Virgin Islands Boards of Public Accountancy.....	182.28				182.28
Commission on human services:					
Grants to Catholic social center.....	106,950.00				106,950.00
Total executive and other.....	60,197,781.74	32,978,938.52	7,505,502.97	652,915.20	19,070,425.05
Total operating expenditures.....	61,197,858.58	33,878,229.18	7,566,840.84	652,915.20	19,099,873.36

GOVERNMENT OF THE VIRGIN ISLANDS
GENERAL FUND, MATCHING FUND, AND ESSENTIAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES AND RECEIPTS

FISCAL YEARS 1963-67

Source of revenues and receipts	Fiscal year 1967	Percent of total	Fiscal year 1966	Percent of total	Fiscal year 1965	Percent of total	Fiscal year 1964	Percent of total	Fiscal year 1963	Percent of total
General fund:										
Real property taxes.....	\$1,096,051.64	3.07	\$959,440.21	3.55	\$835,759.08	4.07	\$760,042.86	4.44	\$690,079.89	4.91
Income taxes ¹	22,927,642.74	64.24	17,462,233.64	64.53	13,206,870.65	64.27	10,707,372.83	62.58	7,511,216.09	62.46
Inheritance taxes.....	820,962.75	2.30	89,869.62	.83	24,785.91	.12	59,369.12	.35	18,897.78	.15
Stamp taxes.....	337,884.61	.95	323,020.13	1.19	307,946.21	1.50	195,115.84	1.14	144,334.51	1.20
Trade, excise and gross receipts taxes.....	6,322,186.33	17.71	5,281,143.86	19.52	4,211,310.15	20.49	3,388,502.08	19.80	1,927,622.61	16.03
Custom duties ²	2,499,570.99	7.00	973,793.43	3.60	658,895.22	3.21	780,004.65	4.56	648,770.80	5.44
Licenses, fees and permits.....	868,791.76	2.43	768,509.55	2.48	692,200.61	3.37	618,130.59	3.61	486,377.38	4.04
Corporation franchise taxes.....	53,183.75	.15	36,111.38	.13	40,527.08	.20	36,675.03	.21	55,799.65	.46
Fines, forfeits, and penalties.....	20,541.00	.06	21,129.18	.08	26,923.97	.13	41,282.37	.24	78,898.75	.66
Revenues from use of money and prop- erty.....	120,369.21	.34	49,127.46	.18	31,810.44	.15	12,593.81	.07	24,079.79	.20
Other income and receipts ³	622,753.59	1.75	1,096,598.07	4.05	512,571.23	2.49	512,298.63	3.00	558,455.64	4.64
Total general fund.....	35,689,938.37	100.00	27,060,976.43	100.00	20,548,760.55	100.00	17,111,237.81	100.00	12,024,592.89	100.00
Matching fund and essential projects fund:										
Internal Revenue matching contribu- tions.....	11,073,732.26	98.31	10,405,984.38	98.04	8,313,412.70	98.87	7,042,107.28	91.12	7,682,528.59	96.25
Transfers and reimbursements.....	3,097.28	.03	5,856.80	.05	12,224.13	.14	507,405.08	6.57	160,074.83	2.01
Miscellaneous insurance compensation.....	187,230.27	1.66	137,799.95	1.31	82,967.92	.99	71,000.00	.92	138,875.83	1.74
Interest on government funds.....							107,327.30	1.39		
Total matching fund and essential projects fund.....	11,264,058.81	100.00	10,549,641.13	100.00	8,408,604.75	100.00	7,727,939.66	100.00	7,981,497.25	100.00
Grand total.....	46,953,997.18		37,610,617.56		28,957,365.30		24,839,177.47		20,006,072.14	

¹ 3 percent of income tax collections in fiscal year 1967 were reserved for income tax refunds.² Included in the fiscal year 1967 figure is \$88,206.42 collected in the general fund, but which has to be transferred to the special funds.³ \$7,822.38 of the fiscal year 1967 figure is nonrevenue receipts. \$8 million transferred from the matching fund is not included.

EXHIBIT IV

GOVERNMENT OF THE VIRGIN ISLANDS
GENERAL FUND, MATCHING FUND, AND ESSENTIAL PROJECTS FUND
COMPARATIVE STATEMENT OF EXPENSES
FISCAL YEARS 1963-67

	Fiscal year 1967	Percent of total expenses	Fiscal year 1966	Percent of total expenses	Fiscal year 1965	Percent of total expenses	Fiscal year 1964	Percent of total expenses	Fiscal year 1963	Percent of total expenses
Standard governmental expenses: ¹										
Legislative.....	\$705,899.24	1.57	\$532,462.30	1.52	\$442,258.80	1.59	\$313,044.46	1.32	\$237,499.01	1.22
Judicial (municipal courts).....	270,904.57	.61	253,384.17	.73	166,060.69	.60	98,950.78	.41	68,199.96	.35
Executive:										
Administrative departments and agen- cies.....	4,434,679.81	9.84	3,697,227.61	10.60	2,992,519.68	10.80	2,611,783.47	10.99	2,352,495.96	12.07
Service departments:										
Public works.....	6,370,186.17	14.14	4,946,462.39	14.17	4,048,500.77	14.60	3,218,084.59	13.54	2,643,277.76	13.57
Health.....	6,000,950.13	13.32	4,863,128.02	13.93	3,792,776.91	13.68	3,361,753.97	14.15	2,714,225.13	13.93
Education.....	5,775,702.30	12.82	4,859,376.00	13.92	4,009,996.41	14.46	3,802,668.02	16.01	2,993,486.25	15.37
Social welfare.....	1,526,442.21	3.39	1,290,487.85	3.72	1,112,598.02	4.01	1,226,253.09	5.16	986,816.12	5.07
Public safety.....	2,060,797.37	4.57	1,586,541.72	4.55	1,271,491.05	4.59	1,078,080.17	4.54	849,915.89	4.36
Commerce.....	678,996.42	1.51	1,235,920.19	3.54	834,325.56	3.01	730,113.81	3.07	623,834.08	3.20
Agriculture and labor.....	330,638.27	.73	974,375.25	2.79	665,440.50	2.40	359,990.22	1.52	321,335.29	1.65
Housing and community renewal.....	1,511,392.58	3.36	295,186.27	.85	249,442.89	.90	180,378.70	.76	81,040.64	.42
Agriculture and recreation.....	344,802.27	.77	.....	.....	.....	.....	.....	.....	.....	.....
Labor.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	29,034,557.53	64.45	23,757,705.30	68.07	18,977,091.79	68.45	16,569,106.04	69.74	13,566,427.12	69.64
Other governmental expenses.....	10,277,012.81	22.81	6,375,926.63	18.27	4,188,356.96	15.11	2,486,820.63	10.47	1,875,235.14	9.62
Total standard governmental expenses.....	40,288,464.15	80.44	30,919,478.40	88.59	23,773,768.24	85.75	19,467,921.91	81.94	15,747,361.23	80.83

Fiscal years—

¹ Included in fines, forfeits, and penalties.

GOVERNMENT OF THE VIRGIN ISLANDS
ALL FUNDS
COMPARATIVE STATEMENT OF NET EXPENDITURES¹
FISCAL YEARS 1960 TO 1967

Department or agency	Fiscal years—									
	1967	1966	1965	1964	1963	1962	1961	1960		
Virgin Islands legislature.....	\$641,426	\$472,126	\$429,638	\$260,663	\$181,389	\$232,594	\$197,869	\$157,167		
Electoral boards.....	60,132	30,230	48,290	33,773	20,080	5,977	16,476	2,554		
Office of the Supervisor of Elections.....	40,877	32,910	36,834	46,490	5,205	.....	.....	.....
Municipal courts of the Virgin Islands.....	263,332	253,332	151,623	94,313	66,767	74,365	62,406	53,827		
Executive offices of the Governor.....	2,061,397	1,344,955	1,160,144	935,365	778,707	495,375	354,763	221,213		
Office of the government secretary.....	283,856	284,871	303,308	269,257	265,467	290,445	408,865	514,546		
Department of Law.....	264,617	222,335	195,184	124,259	122,782	.....	.....	.....
Department of Finance.....	9,254,112	5,264,615	4,134,211	3,231,846	1,273,069	868,605	619,060	484,497		
Department of Property and Procurement.....	2,344,657	1,048,020	450,908	572,324	289,049	318,137	454,862	420,607		
Department of Health.....	8,350,704	6,447,322	5,383,947	4,168,548	2,919,239	2,945,601	3,160,383	2,241,538		
Department of Education.....	9,984,649	7,260,881	5,004,319	4,367,503	3,025,727	2,566,571	2,916,833	2,202,572		
Department of Social Welfare.....	2,614,084	2,141,723	1,943,577	1,670,935	985,121	1,189,246	1,308,312	986,134		
Department of Public Safety.....	1,893,434	1,521,550	1,241,571	1,045,647	829,992	818,654	696,061	522,222		
Department of Public Works.....	13,889,226	9,144,283	10,099,826	9,572,185	5,895,733	9,108,430	4,695,302	3,483,988		
Department of Commerce.....	1,873,127	1,657,335	1,830,562	1,219,194	932,621	766,306	397,626	206,508		
Department of Housing and Community Renewal.....	1,533,743	1,079,462	1,287,453	1,276,875	98,389	.....	.....	.....
Department of Agriculture and Labor.....	.....	407,263	705,528	572,461	284,270	239,856	205,531	131,418		
Department of Labor.....	325,271	155,610	.....	.....	.....	.....	.....	.....
Department of Agriculture and Recreation.....	1,404,745	479,246	.....	.....	.....	.....	.....	.....
Virgin Islands airport and Industrial Resources Agency.....	2,411,047	128,886	.....	.....	.....	.....	.....	.....
Virgin Islands employment agency.....	451,678	371,404	326,369	256,019	129,254	130,550	108,443	82,363		
Virgin Islands board of public accountancy.....	182	132	132	244	.....	96	121	218		
College of the Virgin Islands—local contributions.....	1,120,303	866,133	670,000	465,000	.....	.....	.....	.....
Commission on human services.....	106,950	.....	.....	.....	.....	.....	.....	.....
	61,197,859	40,614,084	34,903,324	30,182,901	18,111,861	20,050,808	15,662,923	11,711,672		
Source:										
General fund.....	33,878,229	25,867,883	21,353,778	13,741,307	11,314,974	8,899,207	9,745,301	6,283,847		
Matching fund.....	7,566,841	4,900,417	5,165,284	6,382,561	2,892,513	5,179,855	2,470,730	2,353,251		
Essential projects fund.....	652,915	628,583	1,055,718	3,464,395	2,731,394	3,000,753	911,398	303,337		
Special and other funds.....	19,099,874	9,617,801	7,328,544	6,694,638	1,172,980	2,970,993	2,535,494	2,771,237		
	61,197,859	40,614,084	34,903,324	30,182,901	18,111,861	20,050,808	15,662,923	11,711,672		

¹ Expenditures from fiscal year 1960 to fiscal year 1967 are actual disbursements made, excluding interfund transfers, by those funds involved in the regular operation of the government. Various trust and deposit funds, as well as the government insurance fund and the Virgin Islands lottery fund are not included. The figures also have been adjusted to exclude unemployment compensation payments.

Office of the Director of the Budget

Personnel: 11

Operating Appropriation: \$90,966

At the conclusion of fiscal year 1967, a total of \$40,149,215 had been authorized in appropriations for operating and special purposes for that fiscal period. General fund receipts applicable to fiscal year 1967, including a contribution of \$5 million from the internal revenue matching fund, totaled \$40,792,103.

A budgetary reserve of 10 percent was required as a control measure to

insure that spending would remain within the limits of available funds and to encourage improved fiscal control among individual operating agencies. In the case of certain special appropriations, allotments were made only as specifically needed.

Revenue, appropriation, and allotment data for the year are summarized as follows:

Revenues and carried forward surplus:	
Surplus cash balance July 1, 1966.....	\$1, 063, 603
Revenues collected.....	35, 682, 116
Contribution from matching fund.....	5, 000, 000
Total.....	41, 745, 719
Appropriations:	
Operating and special appropriations.....	40, 149, 215
Appropriations available until expended (including prior year's appropriations).....	2, 565, 095
Reappropriation of certain projects.....	136, 024
Total.....	42, 850, 334
Allotments:	
Allotments issued against authorized appropriations.....	39, 705, 300
Unallotted appropriations.....	3, 145, 034
Total.....	42, 850, 334

The Governor's budget document for the fiscal year 1968 submitted to the legislature in January 1967, recommended a total of \$43,978,486 for operating appropriations, as compared with \$47,226,388 requested by the various departments and agencies.

When passed by the legislature in April 1967, the operating budget total was \$43,193,318, of which the Governor disapproved items totaling \$81,100 and approved \$43,112,218. This budget was later increased by \$955,647 by act of the legislature and

approved in June 1967 by the Governor. The new total of the 1968 fiscal year operating budget is \$44,067,865.

The capital budget recommended by the Governor and passed by the legislature from matching funds totaled \$11,999,357 with a contribution of

\$4,900,000 towards the operating budget as a contribution to the operating budget of the Department of Education.

Totals of major revenue increases between 1963 and 1967 are as follows:

	1963	1967	Increase (percent)
Total revenues.....	\$12, 099, 977	\$35, 682, 116	194. 90
Income taxes.....	7, 582, 577	22, 927, 643	202. 37
Real property taxes.....	589, 553	1, 096, 052	85. 91
Trade and excise taxes.....	1, 084, 101	2, 396, 043	121. 02
Gross receipts taxes.....	832, 930	3, 926, 143	371. 37
Gross customs dues.....	648, 770	2, 499, 471	285. 28

Totals of major operating appropriations for the same period are:

	1963	1967	Increase (percent)
Education.....	\$3, 123, 000	\$7, 302, 179	133. 82
Public works.....	2, 695, 000	6, 546, 575	142. 92
Health.....	2, 991, 000	7, 185, 549	140. 24
Welfare.....	1, 078, 901	2, 306, 745	113. 81
Safety.....	897, 000	2, 053, 027	128. 88
Commerce.....	644, 791	1, 593, 812	147. 18

The following is a summary of appropriations from the general fund for fiscal year 1967:

EXHIBIT A

APPROPRIATIONS AND ALLOTMENTS REPORT, GOVERNMENT OF THE VIRGIN ISLANDS, FISCAL YEAR 1967

APPROPRIATIONS AND ALLOTMENTS MADE TO JUNE 30, 1967

Revenues:		
Surplus cash June 30, 1966 (estimated).....		\$1, 063, 603. 00
Internal revenue matching fund contributions.....		5, 000, 000. 00
Estimated revenues.....		35, 682, 116. 00
Grand total revenues.....		41, 745, 719. 00
Appropriations:		
Estimated excess of appropriations over revenues.....		994, 628. 37
Operating and special appropriations.....		40, 149, 215. 33
Appropriations available until expended.....		2, 565, 095. 00
Reappropriation of certain projects.....		136, 024. 04
Total.....		42, 850, 334. 37
Allotments:		
Total allotments made to June 30, 1967.....		39, 705, 300. 20
Total appropriations unallotted as of June 30, 1967.....		3, 145, 034. 17
Grand total appropriations.....		42, 850, 334. 37

OPERATING AND SPECIAL APPROPRIATIONS

Act. No.	Departments or agencies	Appropriated	Allotted	Unallotted
1646/1834/1888/1963..	The Legislature.....	\$573,000	\$573,000	.....
1940.....	Study for pay increases for various de- partments.	500	.....	\$500
1983.....	Expenses of reapportionment commis- sion.	15, 000	.....	15, 000
1738/1992/T.....	Office of the Governor.....	309, 724	296, 224	13, 500
1642.....	Compensation to Magdalene Lynch....	1, 708	1, 708	.....
1738/1803.....	Antipoverty program.....	22, 756	22, 456	300
1803/1888.....	VISTA program.....	69, 830	67, 198	2, 632
1830.....	Christmas cleanup campaign.....	20, 000	.....	20, 000
1830.....	Employment of high school students....	20, 000	801	19, 199
1934.....	Purchase price for estate Honduras.....	25, 000	25, 000	.....
1738/1803/1888/T....	Governor's contingent fund..... (To include expenses for Governor's conference.)	186, 000	186, 000	.....
1738/1803/1888/T....	Operation of public relations and informa- tion office.	176, 773	176, 773	.....
1963.....	Office of civil defense.....	5, 933	.....	5, 933
1738/1803/1888/1963/ 1983/T.....	Office of the director of the budget.....	86, 257	85, 757	500
1738/1803/T.....	Office of the director of personnel.....	107, 504	106, 674	830
1738/1803/T.....	Retirement administration.....	27, 979	27, 641	338
(1).....	Grants and contributions.....	514, 625	512, 125	2, 500
1738/1803.....	Office of the probation officer.....	59, 164	59, 164	.....
1738/1803/T.....	Office of the Virgin Islands Planning Board.	159, 124	157, 824	1, 300
1910.....	Study of Christiansted entrance.....	1, 000	.....	1, 000
1738/1803/1992.....	Administrative assistant for St. Croix office.	136, 185	135, 694	491
1738/1803.....	Administrative assistant for St. John office..	74, 337	73, 286	1, 051
1963.....	For St. John Fourth of July celebration....	2, 000	2, 000	.....
1738/1803.....	Office of the government secretary.....	380, 900	380, 650	250
1738/1803/1963/1983/ 1992/1993/T.....	Department of Education.....	5, 233, 986	5, 172, 452	61, 53
1556.....	Council of arts.....	10, 000	10, 000	.....
1738.....	Grants and contributions:			
1738.....	Boy Scouts.....	25, 000	25, 000	.....
1738.....	Sea Scouts.....	800	800	.....
1738.....	Girl Scouts.....	15, 000	15, 000	.....
1738.....	St. Croix museums.....	3, 200	3, 200	.....
1738.....	Virgin Islands museums.....	2, 400	2, 400	.....
1738.....	Community bands.....	12, 000	12, 000	.....
1738.....	Wilmot Blyden scholarship fund....	4, 000	4, 000	.....
1738.....	St. John scholarship fund, including grants to residents of St. John at- tending College of the Virgin Is- lands.....	12, 000	12, 000	.....
1738.....	Training program.....	4, 000	4, 000	.....
1738.....	Grants for purchase of athletic equipment (Charlotte Amalie High School, Christiansted High School, St. Croix Central High, and Julius Sprauve School).....	20, 000	20, 000	.....
1738/1857.....	Territorial scholarship fund.....	102, 000	102, 000	.....
1738.....	Teacher training, College of the Virgin Islands.....	4, 800	4, 800	.....
1738.....	Teacher's award fund.....	1, 000	1, 000	.....
1738.....	Vocational education.....	460, 826	460, 826	.....
1738.....	Manpower Development and Train- ing Act.....	25, 000	25, 000	.....
1738/1803/1843.....	Scholarship grants for medicine, law, and engineering, 10 at \$3,000 each. ²	31, 500	31, 500	.....
1738.....	Vocational rehabilitation.....	55, 000	55, 000	.....
1775.....	Claim of Adina L. Mardenborough and Harry Mardenborough.....	15, 000	15, 000	.....
1803.....	National Defense Education Act program.....	103, 232	103, 232	.....
1803.....	Library Services Act of 1964 pro- gram:			
	Title I services, \$14,321.....	.....	.....	.....
	Title II construction, \$13,000.....	27, 321	27, 321	.....
1989/1803/T.....	School lunch program.....	686, 254	686, 254	.....
1803.....	Adult basic education program.....	27, 500	27, 500	.....
1803.....	In school neighborhood youth train- ing program.....	12, 500	12, 500	.....
1888.....	Virgin Islands District of the Ameri- can Legion.....	3, 000	3, 000	.....
1932.....	Grant to Inter-American, San Ger- man, Puerto Rico.....	750	750	.....

¹ 1738/1673/1650/1652/1672/1678/1680/1681/1682/1683/1684/1686/1687/1688/1689/1690/1692/1693/1694/1695/1651/1708/
1750/1769/1774/1778/1787/1788/1791/1793/1796/1797/1798/1839/1848/1885/1903/1943/2001.

² \$1,500 for student in engineering on St. Croix.

T = Transfer of funds.

OPERATING AND SPECIAL APPROPRIATIONS—Continued

Act. No.	Departments or agencies	Appropriated	Allotted	Unallotted
1963.....	Improvement to playground, landscaping and fencing at Charlotte Amalie High School.	\$61,000	\$61,000	.....
1963.....	Drainage and retaining wall at Christiansted High School.	4,200	4,200	.....
1963.....	Fencing Christiansted High School.	25,000	25,000	.....
1963.....	Hardsurfacing playground at Lincoln Elementary School.	5,000	5,000	.....
1963.....	Fencing George Washington School.	6,000	6,000	.....
1963.....	Construction of additional rooms at Tuitt (3), Dober (2), and Herriek (2) Schools.	100,000	100,000	.....
1963.....	Construction of additional classrooms at Coral Bay.	25,000	25,000	.....
1963.....	Enlarging storage space for school lunch program, St. Croix.	5,000	5,000	.....
1963.....	Educational trip for senior classes..	20,000	20,000	.....
	Department of Public Works:			
1738/1803/1888/1992.	St. Thomas and St. John activities.....	4,051,841	4,051,840	.....
1830.....	Health hazard in Frenchtown area..	10,000	10,000	.....
1856.....	Funds for Sugar Estate Race Track.	2,500	2,500	.....
1888.....	Improvements of roads, walls, and extension of sewer lines.	45,000	45,000	.....
1980.....	Paving of parking lot in front of Scout Center.	2,500	2,500	.....
1963.....	Repair of damage to the Quay wall fender system.	15,000	15,000	.....
1738/1803/1888/1963/1992.	St. Croix activities.....	2,100,821.33	2,084,613	\$16,208.33
1790.....	Funds for Mannings Bay Race Track, St. Croix.	12,000	12,000	.....
1738/1803/1888/T.....	Department of Finance.....	1,809,382	1,798,989	10,393
1570.....	Special temporary sugarcane fund.....	40,000	20,000	20,000
1738/1888.....	Income tax, other tax and license refunds.	275,000	275,000	.....
1738.....	Industrial incentive program contribution.	40,000	36,000	4,000
1738.....	Internal revenue stamp tax refunds....	500	450	50
1738/T.....	Bonding of government officials and employees.	11,000	11,000	.....
1738/1888.....	Claim fund contribution.....	9,000	9,000	.....
1738.....	Account for unliquidated encumbrances.	15,000	13,500	1,500
1738/1992.....	Contribution to unemployment compensation Administration.	84,746	84,746	.....
1738.....	Repair and maintenance of finance buildings.	14,000	14,000	.....
1660/1886/1959.....	College of the Virgin Islands.....	1,054,477	1,054,477	.....
1741.....	Grant for instruction in stenotype.....	7,000	7,000	.....
1759.....	State Technical Services Act of 1965.....	23,310	23,310	.....
1963.....	Funds to be matched for commercial fisheries.	6,833	6,833	.....
1963.....	Title I of the Higher Educational Act of 1965.	8,683	8,683	.....
1825.....	Contribution to St. Croix aviation fund.	85,000	85,000	.....
1930.....	Contribution to St. Thomas carnival 1967.	5,000	5,000	.....
1944.....	Funds for clearing of debris of Creque Dam.	10,000	.....	10,000
1738/1803/1888/T.....	Department of Property and Procurement.	681,715	675,325	6,390
1738/1963.....	Contribution to transportation revolving fund.	80,000	80,000	.....
1738/T.....	Contribution to surplus property revolving fund.	30,000	30,000	.....
1738/1803/T.....	Promotion and advertising fund.....	122,400	114,550	7,850
1830.....	Purchase of Estate Demerara.....	28,400	28,400	.....
1830.....	Purchase of Estate Honduras.....	30,000	30,000	.....
1894.....	Purchase of land on King's Hill.....	47,000	47,000	.....
1284.....	Installation payment for purchase of Estate White Lady.	5,000	5,000	.....
1738/1803/1888/1963/T.....	Equipment fund.....	1,273,272	1,252,549	20,723
1913.....	Rental of office space for legislature....	3,600	2,000	1,600
1983.....	Construction of building for Red Cross office and office space for Department of Property and Procurement.	42,000	.....	42,000
1738/1803/1888/1963..	Department of Public Safety.....	1,939,692	1,931,131	8,561
1738/1803/1888.....	Department of Agriculture and Recreation.	1,456,366	1,454,866	1,500
1613.....	Public television services.....	2,000	.....	2,000
1738.....	Funds for track, field, and other sports instructions.	20,000	20,000	.....
1803.....	Funds for cattle artificial insemination.	7,500	7,500	.....
1803.....	Additional lights (ball park F'sted)...	1,000	1,000	.....
1803.....	All expenses of Board of Supervisors, soil conservation program.	5,600	5,040	560

OPERATING AND SPECIAL APPROPRIATIONS—Continued

Act. No.	Departments or agencies	Appropriated	Allotted	Unallotted
1738.....	All expenses for roadside tree improve- ment.	\$15,000	\$15,000	.....
1833.....	Expenses for New York Yankees and Boston Red Sox.	20,000	20,000	.....
1833.....	Improvement of recreational site, estate profit.	5,000	.....	\$5,000
1888.....	Improvement of recreational park, Grove Place, including lighting of basketball court.	2,000	.....	2,000
1888.....	Installation of lighting facilities at base- ball park, St. Croix.	100,000	.....	100,000
1922.....	Funds for farmers and fishermen.....	20,000	20,000	.....
1922.....	Funds for agricultural revolving fund....	50,000	50,000	.....
1963.....	Construction of bridge over pond at Magens Bay.	20,000	20,000	.....
1963.....	Fresh water wells with pumps.....	5,000	5,000	.....
1963.....	Additional salt water pumps.....	550	550	.....
1963.....	Replacement of old or wornout equip- ment.	5,000	5,000	.....
1992.....	All expenses for erection of steel building.	50,000	50,000	.....
1922.....	Matchable contribution for outdoor recreation project.	35,786	35,786	.....
1738/1803/1888/1963/ 1988.	Department of Labor.....	355,251	350,467	4,784
1738/1803/1833/ 1854/1888/T.	Department of Commerce.....	1,501,617	1,455,485	46,132
1738.....	St. Thomas Golf Association.....	6,000	6,000	.....
1738.....	Caribbean Tourist Association.....	15,000	15,000	.....
1738/T.....	Promotion of fishing and water sports..	38,500	38,500	.....
1738/T.....	Virgin Islands Community Action Council.	13,050	13,050	.....
1854.....	Contribution to St. Croix Christmas festival.	5,000	5,000	.....
1738/1803/1888/1983..	Department of Social Welfare.....	2,150,908	2,091,234	59,674
1929.....	Day Care Center and subsidy program....	50,000	50,000	50,000
1992.....	Expenses for Commission on Aging.....	15,000	.....	15,000
1738/1803/1888/T....	Department of Health.....	5,716,488	5,716,488	.....
1717.....	Television services to all hospitals.....	2,000	2,000	.....
1738/T.....	Insular contributions to formula grants.	494,539	494,539	.....
1738.....	Contributions to health scholarship fund.	40,000	40,000	.....
1738.....	Implementation of medicare program (Transferred to the operating account.)	.....	.....	.....
1738/1803.....	Repairs and maintenance of hospitals and health buildings.	30,000	30,000	.....
1790.....	Implementation of medicare programs....	100,000	77,527	22,473
1961/1962.....	Purchase and construction of prefabric- ated building.	10,000	10,000	.....
1963.....	Matchable contribution for maternity and infant care.	275,249	150,000	125,249
1738/1790/1803/1888..	Department of Law.....	300,956	297,028	3,928
1738/1803/1962/T....	Department of Housing and Community Renewal.	342,457	341,707	750
1803.....	Grant to Virgin Islands Housing Auth- ority.	10,500	10,500	.....
1803.....	Grant to emergency housing revolving fund.	10,000	10,000	.....
1803.....	Grant to Peter's farm revolving fund....	10,000	10,000	.....
1803.....	Grant to Virgin Islands Urban Renewal Board.	25,000	25,000	.....
1888.....	Grant to homestead and home loan fund.	50,000	50,000	.....
1931.....	Pollyberg community development.....	150,000	150,000	.....
1738/1803/1888.....	Municipal Court of the Virgin Islands....	272,103	269,383	2,720
1738.....	Office of the Supervisor of Elections.....	47,982	47,002	980
1738/1803.....	Board of elections—St. Thomas.....	30,600	30,063	537
1738/1803.....	Board of elections—St. Croix.....	33,250	32,593	657
1738/1803.....	Board of elections—St. John.....	10,115	9,953	162
1738.....	Miscellaneous: Installment payments on land pur- chased or to be purchased under exist- ing legislature authorities.	128,400	.....	128,400
1738.....	Repayments of principal and payments of interest on intergovernment funds loans.	183,118	179,510	3,608
1738/T.....	Summer employment.....	256,090	197,644.20	58,445.80
1738.....	Teacher development and training.....	200,000	200,000	.....
1803.....	Reduce "installment payments on land purchased or to be purchased under existing legislature authorities" by.	-67,000	.....	-67,000
1738/1803.....	Change language of "salary increases (lower grades)" to read "for salary increases authorized by Act No. 1609 and sec. 3 of this Act, and increase by.	1,365,000	470,650	894,350
1888.....	Commission on the Status of Women....	5,000	5,000	.....
Totals.....		40,149,215.33	38,391,172.20	1,758,043.13

APPROPRIATIONS AVAILABLE UNTIL EXPENDED—Continued

Act. No.	Departments or agencies	Appropriated	Allotted	Unallotted
	The legislature			
1698.....	Special committee to study pay plan...	\$5,000		\$5,000
1850.....	Expenses for reappropriation of the legis- lature.	35,000	\$30,000	5,000
1853.....	Expenses for the Virgin Islands Home Rule Committee.	20,000	20,000	
1938.....	Virgin Islands Day in continental United States.	5,000		5,000
2026.....	Virgin Islands Citizenship Day Com- mittee.	5,000		5,000
	Office of the Governor			
1503.....	50th anniversary of the transfer of the Virgin Islands.	3,000		3,000
1257.....	Airport study.	12,296	12,296	
1589.....	Veterans assistant for education.	10,000	10,000	
1728.....	Acquisition of land at Estate Bovoni for horseracing track.	10,000		10,000
1733.....	Caribbean Economic Development Corp.	2,000		2,000
1587.....	Flood and soil erosion control study....	5,000		5,000
1887.....	Virgin Islands march.	5,000		5,000
1907.....	Survey and analysis of personnel system (Available Until December 1967).	15,000		15,000
	Department of Public Works			
973.....	Purchase of land at Brewers' Beach....	40,000		40,000
977.....	Potable water at Grove Place.	50,000		50,000
1172.....	Construction of wing at Carenage Clinic.	15,000		15,000
1257.....	New airport study and acquisition of land.	300,000		300,000
1375.....	Hardsurfacing of St. Peter Mountain Road to Hull.	21,000		21,000
1377.....	Public improvement, St. John.	25,000		25,000
1379.....	Purchase of land for PWD, St. John (post office).	40,000		40,000
1382.....	Concrete paving of Altona Well Alley..	10,000		10,000
1719.....	Public comfort station.	30,000	15,000	15,000
1718.....	Naming of all unnamed streets.	1,000		1,000
1722.....	Extension of street lights and power lines.	15,000		15,000
1725.....	Construction of a concrete wall along the municipal cemetery.	20,000		20,000
1727.....	Construction of bus shelters.	30,000		30,000
1914.....	Study of modern lighting for the Virgin Islands.	5,000		5,000
1925.....	Repairs and improvements to Old Diamond School for the Boy Scouts.	20,000	20,000	
1926.....	Construction of sewerage treatment unit.	40,000		40,000
1009.....	Fishmarket at French Town.	25,000	25,000	
	Department of Property and Procurement			
858.....	Acquisition of land for public scenic highway.	100,000		100,000
912/1170.....	Funds for property acquisition..... (Estate La Grange, \$80,000) (Ross Estate, \$5,000)	74,832	69,832	5,000
1924.....	15 percent differential in purchases or contracts.	20,000		20,000
1973.....	Purchase of land at Estate Thomas....	10,000		10,000
2017.....	Purchase of land at Estate La Grange..	34,000		34,000
	Department of Social Welfare			
1704.....	Sewing project for St. John.	10,000	10,000	
	Department of Education			
1753.....	Study leave for Dr. Melvin Evans....	3,000	3,000	
1993.....	Summer employees and repairs to edu- cational building, St. Croix.	50,000		50,000
1993.....	Summer employees and repairs to edu- cational building, St. Thomas and St. John.	50,000		50,000
	Department of Health:			
1073.....	Temporary health insurance.....	1,000		1,000
1575/1753.....	Educational program for retarded children.	6,667		6,667
1871/2015.....	Emergency needs for Charles Harwood Memorial Hospital.	182,500	150,000	32,500
1935.....	Practical nursing training program....	35,000	35,000	
1786.....	Practical nursing training scholarship program.	35,000	35,000	
	Department of Finance:			
1467.....	Unliquidated encumbrances.....	5,000		5,000
1821/2008.....	Funds for the Semicentennial and Governor's Conference (until Mar. 31, 1968).	654,000	654,000	
1927.....	Moderate income housing program....	100,000	100,000	
1810.....	Assistance to livestock raisers (emer- gency drought relief).	25,000	25,000	

APPROPRIATIONS AVAILABLE UNTIL EXPENDED—Continued

Act. No.	Departments or agencies	Appropriated	Allotted	Unallotted
1944.....	Funds for emergency drought relief.....	\$10,000	\$10,000	.....
	Department of Housing and Community renewal:			
955.....	Transfer of land at Estate Profit.....	15,000	.....	\$15,000
1712.....	Subdivision of Estate Bordeaux.....	44,800	20,000	24,800
1716.....	Housing for Virgin Islands veterans.....	100,000	50,000	50,000
	Department of Agriculture and Recreation:			
1410/1586.....	Public Beach at Port Louise Augusta..	75,000	.....	75,000
1214.....	Development of land for baseball and softball field.	3,000	.....	3,000
1946.....	Improvement of John Brewers' Bay....	50,000	.....	50,000
2009.....	Emergency drought relief fund.....	30,000	.....	30,000
	Department of Public Safety:			
1733.....	Protective Clothing and Equipment....	2,000	.....	2,000
1942.....	Employment of Women as School Crossing Guards.	10,000	.....	10,000
	Supervisor of elections			
1988.....	Checkups of each registered elector.....	10,000	.....	10,000
	Totals.....	2,565,095	1,294,128	1,270,967

REAPPROPRIATIONS OF CERTAIN PROJECTS

Act No.	Departments or agencies	Appropriated	Allotted	Unallotted
	Department of Labor			
1394.....	Memorial to Virgin Island war veterans.	\$5,000	.....	\$5,000
	Department of Public Works St. Thomas and St. John activities.			
1403/1764/1939.....	Headquarters for Girl Scouts.....	60,000	.....	60,000
1422/1483/1764.....	Substation for fire division, Grove Place.	1,024.04	.....	1,024.04
1422/1483/1764.....	Paving road to clinic and substation.	15,000	.....	15,000
1422/1483/1764.....	Paving road to Estate Profit.....	25,000	.....	15,000
1422/1483/1764.....	Construction of building for USO..	20,000	\$20,000	.....
	Department of Health			
1417/1764/T.....	Health clinic at Estate Profit.....	5,000	.....	5,000
	Department of Social Welfare			
1417/1764.....	Day Care Center at Estate Profit, St. Croix.	5,000	.....	5,000
	Totals.....	136,024.04	20,000	116,024.04
	Grand totals.....	42,850,334.37	39,705,300.20	3,145,034.1

T=Transfer of funds.

The following is a 5-year comparative statement of gross U.S. Internal Revenue taxes on Virgin Islands imports:

	Fiscal year—				
	1963	1964	1965	1966	1967
July.....	\$442,536	\$686,251	\$806,558	\$1,017,106	\$814,306
August.....	641,487	871,291	903,044	994,581	1,183,844
September.....	818,766	713,410	747,812	943,490	983,688
October.....	762,835	829,433	928,579	1,004,206	1,065,091
November.....	700,863	654,639	804,967	934,991	1,070,471
December.....	585,889	764,968	1,144,119	1,267,740	840,007
January.....	605,587	549,120	882,571	902,184	1,631,199
February.....	480,814	604,461	577,393	713,688	862,455
March.....	538,444	596,306	945,323	775,470	899,451
April.....	606,805	621,743	711,065	939,362	787,711
May.....	721,067	692,878	1,011,696	788,776	1,247,709
June.....	716,191	817,391	1,051,229	914,333	1,142,049
Totals.....	7,601,284	8,401,891	10,514,356	11,195,928	12,491,981

The following is a summary of Internal Revenue matching fund appropriations:

Exhibit B

MATCHING FUND PROJECTS REPORT

FISCAL YEAR 1967

AUGUST 8, 1967

Act No. 1737 (bill No. 2727).....	\$11,925,000
Act No. 1800 (bill No. 3011).....	.....
Act No. 1851 (bill No. 3168).....	.....
Act No. 1860 (bill No. 3178).....	.....
	<u>11,925,000</u>
Appropriated by the legislature.....	11,925,000
Available from U.S. excise taxes and released by the office of territories.....	11,073,732
Overappropriated.....	<u>851,268</u>

The following projects or part of projects remain unreleased and have been frozen:

1. Bond principal and interest.....	189,968
2. U.S. geological survey.....	12,500
3. Demerara.....	50,000
4. Urban renewal, St. Thomas.....	39,300
5. Golf course.....	80,000
6. John Brewer's Bay.....	50,000
7. Urban renewal, St. Croix.....	94,500
8. Frederiksted fort.....	50,000
9. Government house, St. Croix.....	10,000
10. Beach north of Frederiksted.....	50,000
11. Clinic, St. John.....	100,000
12. Repairs to old post office, St. John.....	25,000
13. Water distribution, St. Thomas.....	100,000
Total.....	<u>851,268</u>

Project No.	Account No.	Project description	Appropriated	Released and allotted	Unallotted
VIRGIN ISLANDS					
VI-29-7.....	1737	Contribution to the general fund to be used exclusively towards the operating expenses of the Department of Education.	\$5,000,000	\$5,000,000.00	.....
	1737	Contribution for power facilities in accordance with bill No. 2853, change to:			
VI-30-7.....	1800	Contribution for power facilities.....	1,000,000	1,000,000.00	.....
VI-31-7.....	1737	Payment on principal and interest on various purposes serial bonds, 1965, and on interim financing.	412,215	222,247.00	\$189,968.00
VI-32-7.....	1737	Studies, surveys, and reports by the U.S. Geological Survey on water resources.	32,500	20,000.00	12,500.00
VI-33-7.....	1737	Contingencies to be used for various purposes at the discretion of the Governor, including (1) personal services, equipment and supplies, materials, and other expenses for administration of the project; (2) contractual services; and (3) feasibility studies.	100,000	90,787.25	9,212.75
ST. THOMAS					
ST-192-7.....	1737	Construction and improvement of roads and streets including utilities: (a) Estate Thomas subdivision (utilities), (b) Mandahl to Casi Hill Road, (c) Nadir Road, (d) Contant Roads (areas), (e) Wintberg-Rosendahl Roads, (f) Solberg subdivision, (g) Sagus Road, (h) Bordeaux-Hope Road, (i) Bordeaux-Fortuna Road, (j) Hospital Ground Road, (k) Estate Smith Bay Road, (l) Mariondahl Road, (m) Nisky Road, (n) roads at Agnes Fancy, Savan, Altona, Anna's Fancy, Bovoni-Bolongo Road and other areas.	1,000,000	1,000,000.00	.....

¹ Released.

Project No.	Account No.	Project description	Appropriated	Released and allotted	Unallotted
ST-193-7.....	1737	Territorial contributions to be obligated with FAA grant funds for reconstruction and repairing of Harry S. Truman Airport runway, taxiways, and apron. (250,000)	\$400,000	\$400,000.00	.....
	1800	Increase item 2 by..... (150,000)			
	1737	Purchase of road construction equipment including special-type equipment for use in garbage disposal. (150,000)			
ST-195-7.....	1800	Eliminate item 3 by..... (150,000)			
	1737	Improvement to and extension to salt water distribution system. 100,000	79,000	79,000.00	.....
	1860	Reduce item 4 by..... (21,000)			
ST-196-7.....	1737	Improvement to and extension of sewage collection and disposal system. 200,000	88,000	88,000.00	.....
	1800	Reduce item No. 5 by..... (100,000)			
	1860	Reduce item No. 5 by..... (12,000)			
ST-197-7.....	1737	Improvement to and extension of potable water distribution system. 100,000	200,000	100,000.00	\$100,000.00
	1800	Increase item No. 6 by..... 100,000			
	1737	Purchase of and demolition of houses at Estate Demerara, and improvement and subdivision of the area. 50,000	50,000	.....	50,000.00
ST-199-7.....	1737	Territorial contribution to Barracks Yard urban renewal development including but not limited to site clearance, construction drawings, supervision and field inspection, and other facilities. 50,000	50,000	10,700.00	39,300.00
ST-200-7.....	1737	Continuation of emergency housing, including matching funds for Federal housing loans or grants for an accelerated program of housing development. 350,000	350,000	350,000.00	.....
ST-201-7.....	1737	First-phase construction of Herman E. Moore Golf Course. 100,000	100,000	20,000.00	80,000.00
ST-211-7.....	1860	Extension to main potable water artery from the intersection of Hospital Gade and Dronnigens Gade to the intersection of Lovers Lane and Sugar Estate Roads. 33,000	33,000	33,000.00	.....
	1737	Improvement of John Brewer's Bay including construction bath concession areas. 50,000	50,000	.....	50,000.00
ST. CROIX					
SC-177-7.....	1737	Construction and improvement of roads, streets, and drainage including utilities with priorities to: (a) Concordia Road to Wheel of Fortune (Frederiksted), (b) Newton thru Smithfield and Stony Ground, (c) Richmond Road, (d) continuation of Centerline Road thru Caraval to airport including lighting, (e) Lobster Street (Christiansted), (f) Company Street, (g) River to Little Fountain, (h) Annaly Road to Frederiksted, (i) all other areas. 720,000	643,000	643,000.00	.....
	1851	Reduce item 1..... (77,000)			
SC-178-7.....	1737	Territorial contribution to be obligated with FAA grant funds for strengthening and resurfacing of Alexander Hamilton Airport runway, taxiways, and apron. (350,000)	485,000	485,000.00	.....
	1800	Increase item 2 by..... (135,000)			
	1737	Acquisition of land from Virgin Islands Corp..... (100,000)			
	1800	Delete Item 3..... (100,000)			
SC-180-7.....	1737	Purchase of road construction and maintenance equipment including garbage collection equipment. 100,000	100,000	100,000.00	.....
SC-181-7.....	1737	Improvements to and extension of potable water distribution system. 250,000	250,000	250,000.00	.....
SC-182-7.....	1737	Improvements to and extension of salt water distribution system. 150,000	150,000	150,000.00	.....
SC-183-7.....	1737	Improvements to and extensions of sewage collection and disposal system. 75,000	75,000	75,000.00	.....
SC-184-7.....	1737	Territorial contribution to Water Gut and Lagoon Street urban renewal areas including but not limited to site clearance, supervision and field inspection, construction drawings, and other facilities. 100,000	100,000	5,500.00	94,500.00

Project No.	Account No.	Project description	Appropriated	Released and allotted	Unallotted
SC-185-7.....	1737	Continuation of emergency housing including matching funds for Federal loans or grants for an accelerated program of housing development.	\$350,000	\$350,000.00	.....
	1737	Improvements and renovations of Frederiksted fort.	50,000	.....	\$50,000.00
SC-187-7.....	1737	Construction of public works facilities at Anna's Hope.	60,000	60,000.00	.....
	1737	Repairs to and renovation of government house..... (45,000)	10,000	.....	10,000.00
	1800	Reduce item 12 by..... (35,000)			
	1737	For beach improvements and facilities north of Frederiksted Town.			
SC-200-7.....	1851	Construction, extension, modernization of and purchase of equipment at Charles Harwood Memorial Hospital.	77,000	77,000.00	.....
ST. JOHN					
SJ-60-7.....	1737	Construction, maintenance, and repairs of roads and streets with priority to to centerline Enighed Contant, Pine Piece, and Calabash Boom Homestead Roads.	325,000	325,000.00	.....
	1737	Purchase of land, preparation plans, and specifications and construction of a 10-bed medical clinic on St. John.	100,000	.....	100,000.00
SJ-62-7.....	1737	Purchase of road construction and maintenance equipment.	80,285	80,285.00	.....
	1737	Remodeling of building presently housing United States post office.. (75,000)	25,000	.....	25,000.00
	1800	Reduce item 4..... (50,000)			
SJ-64-7.....	1860	Purchase and installation of an incinerator for St. John.	50,000	50,000.00	.....
			11,925,000	11,064,519.25	860,480.75

Department of Housing and Community Renewal

Personnel: 49

Operating Appropriation: \$342,457

Housing has been referred to frequently as the Virgin Islands number one problem. Hundreds of Virgin Islands families still live in substandard dwellings because of a shortage of standard housing at rental or purchase prices they can afford.

Although the government's efforts over the past 6 years have produced major advances in housing, limited funds have prevented the operation of a bigger and more dynamic program to meet the increasing demands of residents for better living conditions.

The recent introduction of large low-cost developments by private developers, however, is expected to alleviate the conditions to a great extent.

Emergency Housing Program

During the fiscal year 1966-67, 239 emergency housing applications were filed on St. Thomas. In St. Croix, a total of 420 applications, representing 1,565 persons, filed during the same period. At the end of the fiscal year, 1,627 applications were on file. Of this total, 830 applications representing 3,521 persons, were filed in St. Thomas and 797 applications, representing 2,691 persons, were filed in St. Croix.

Homestead and Home Loan Program

The homestead and home loan program is comprised of the following five subprograms: Homestead, home loan, cistern loan, veterans loan, and sale of emergency housing single-family units.

Homestead Program

During this reporting period, 54 plots were allocated throughout several homestead areas. Forty-eight contracts have been executed and six are pending. These 54 plots consist of a total of approximately 25.235 acres, and the sales value of land allocated amounted to \$46,472.15.

Twenty deeds of conveyance were issued during the year, with a sales value of \$16,364.02. Eighteen waivers were executed which permitted homesteaders to mortgage their land in order to receive construction loans or to transfer title to other persons for the purpose of constructing homes thereon.

As of June 30, 1967, there were 788 applications on file for homestead land. Of that number, 139 applications were filed during the fiscal year.



The Virgin Islands Housing Authority oversees the construction, maintenance, and management of the islands' federally assisted public housing projects such as this one under construction in St. Croix.

Home Loan Program

Six construction loans were approved during this reporting period, totaling \$57,000. Payment was completed on two loans and the mortgages were canceled. A total of \$19,166 was recovered representing interest income. There were 28 applications on file for home construction and improvement loans at the end of the year for an amount of \$246,300.

Cistern Loan

There were three open accounts for loans granted under this program with an outstanding balance of \$1,242.52. As of the end of the reporting period, five applications were in process for the sum of \$5,000.

Veterans Loan Program

Rules and regulations governing this program were approved on March 16, 1967. As of June 30, 1967, there were 16 applications filed for assistance in construction of homes.

Sale of Emergency Housing Single-Family Units

Act No. 986, approved March 26, 1963, grants occupants of single-family units in emergency housing projects a first priority to purchase housing units which they occupy, and rules and regulations pertaining to this act were approved on April 10, 1967. Staff workers are preparing the necessary documents, gathering information and securing appraisals on the first 13

houses to be sold under this program. It is expected that the first certificates will be issued in the very near future.

Community Development Projects

During the year, the two remaining houses in the Altona community development were released by the Department of Public Works. The remaining 20 parcels were allocated, and 19 contracts were executed. Of a total of 31 superficial houses which were purchased in Altona, nine were acquired during the fiscal year, and 20 were demolished during this reporting period.

A comprehensive development plan for estate profit was completed during the year. Also, the community center is now completed and is being used for Headstart, VISTA programs and for other governmental purposes.

Land in the Demerara-Honduras areas is being purchased by the local government, and an orderly development plan for the areas will be activated within the next fiscal year.

A preliminary subdivision plan for the first 45 acres at Estate Bordeaux was completed during the year by the firm of McClintock & Thun. This land will be retained for the next major housing development, and other parcels in this area will be subdivided for homestead land distribution.

Rent Control Agency

In the fiscal year 1966-67, 74 petitions were filed with the Rent Control Agency. Of this number, 63 petitions were filed in St. Thomas, and 11 in St. Croix. Six were filed by landlords who sought to have established maximum monthly rentals for their properties.

Formal inspections and hearings were conducted, and appropriate orders issued in all these cases except four on St. Croix that remained on the calendar pending additional information pursuant to the requirements of the rent control law.

Below is a table of comparison showing the activities during fiscal years 1963 to 1967:



A one-family dwelling on St. Thomas, typical of those being constructed in the islands through a cooperative program between the government and private business.

Fiscal year	Petitions	Landlord	Tenant
1963.....	63	0	63
1964.....	68	4	64
1965.....	76	20	56
1966.....	38	0	38
1967.....	74	6	68

Community Renewal Program

Phases B and C of the Virgin Islands community renewal program were completed during this fiscal year. The planning board reviewed these reports and announced that they conformed to the general physical plan of the islands. The community renewal program was approved by the Virgin Islands Legislature on April 18, 1967. Subsequently, it was officially submitted to the regional office of the U.S. Department of Housing and Urban Development.

Workable Program for Community Improvements

A systematic code enforcement program was submitted as part of the workable program for community improvement which was approved on April 1, 1967. This program, based on data collected in the community renewal program, delineated code enforcement areas and projected a time sequence schedule of inspection for each area identified.

Administrative plans are complete to implement fully the enforcement programs. The plans include a statement of the basic policy guidelines, the step-by-step administrative procedure to be followed, and the design of all essential forms, form letters, and reports.

Virgin Islands Urban Renewal Board

During the fiscal year the Board continued to administer four projects,

three in the execution stage (Barracks Yard, Water Gut, and Lagoon Street) and one in the survey and planning stage (Taaneberg-Ross).

Barracks Yard, St. Thomas

The Barracks Yard program is one that combines conservation and clearance. Approximately 5 acres have been cleared to make way for the construction of a local government center and Federal office building. Most of the area had to be acquired through condemnation proceeding. In January 1967, an appeal from the judgment of the lower court was filed in the third circuit court in the United States. The outcome of this case is being awaited in order to establish a basis for disposition values. The conservation workload (16 structures) has virtually been completed and, in addition, certain property owners demolished their old buildings of low value and erected in their stead five buildings valued at approximately \$100,000 each. This is an important contribution to the project as well as to the economy of the islands.

Water Gut, Christiansted, St. Croix

This also is a project that combines conservation and clearance. About one-half of the area has been spot-cleared for the sale of parcels to individual homeowners. Because of the need for middle-income housing, however, the plan presently is being revised so that an area can be designated for the construction of 150 units under the FHA 221(d) 3 program.

Housing for bonded aliens from urban renewal areas has affected the speed with which the houses can be demolished and the people relocated. Bill No. 3228, which was passed in March 1967, may lend some relief to

the situation since it requires employers of bonded servants to provide the necessary relocation facilities.

The conservation workload remains heavy (54 structures) since the majority of the property owners are of limited financial means and the condition of the structure is such that rehabilitation expenses are high, ranging from \$10,000 to \$40,000 per structure. In many instances, it is more feasible to construct than to renovate. The Board hopes to provide some relief in this situation by taking advantage of the rehabilitation loans of \$10,000 per dwelling unit being made available by the Federal Government over a period of 20 years at 3-percent interest. One important contribution to the conservation effort was the construction of a 50-room hotel and the contemplated expansion of this development in 1967.

Lagoon Street, Frederiksted, St. Croix

This is a total clearance program encompassing 3 acres. During the year the Board relocated the three remaining families in the area and scheduled all structures for demolition. It was originally decided to subdivide the land into plots for sale to former property owners for the construction of individual homes. Plans are being revised, however, so that one section will be developed for commercial purposes and another section for 65 units of middle-income housing under the 221(d)3 program. It is expected that actual construction in the area will begin by the early part of 1968.

Taaneberg-Ross, St. Thomas

Part I, application for loan and grant was filed with the Federal Government in June, 1967. If approved this plan will reserve \$2 million in capi-

tal grants and will provide for the acquisition of a large tract of land on which many superfluous homes now stand. This land will be subdivided and sold to the owners and occupants of superfluous homes in the area in order to encourage individual home ownership. The plan also will allow for the conservation and rehabilitation of all substantial structures in the area. The preparation of the application involved considerable work, such as engineering surveys, property appraisals, house-to-house surveys, cost estimates, and financial plans. It constituted a major part of the urban renewal effort during the year.

Housing Authority

The John F. Kennedy project, a 200-unit complex on St. Croix, was completed in June and fully occupied during July. Construction was started on 60 additional units at Marley Homes in St. Croix and, as of this writing, the project is 42 percent completed.

Bids were opened for a project consisting of 138 units to be located at Lindberg Bay in St. Thomas. The project was successfully negotiated in May 1967, and forwarded to the Department of Housing and Urban Development in Washington for approval. It is expected that approval will be granted and construction will begin in the near future.

Bids were received for a 24-unit addition at Berg's Homes in St. Thomas. The bids were too high, and the project is being negotiated. Promotional efforts for turnkey projects which were started in April 1966, bore fruit during the year. West Indies Enterprises submitted a proposal to construct 300 units in St. Thomas and 300 units in St. Croix, and King's Hill Corp. submitted a proposal to construct 36 units in St. Croix. The proposal submitted by West Indies En-

terprises was approved, and construction is scheduled for the fall of 1967. Drawings for a project consisting of 100 units to be located at King's Hill, St. Croix, have been completed.

Management

During the year the Authority had 1,294 units under management. One unit in St. Thomas and another in St. Croix were used by the Department of Health as clinics.

The services of VISTA volunteers were obtained, and children of tenants were organized into groups of 15 for prekindergarten learning experiences.

A Scout pack has been formed in the Oswald Harris Court project and efforts are being made to establish others in other projects.

An attempt is being made to reactivate a recreation program, initiated in 1965 and suspended in the fall of 1966. It was supervised by the Department of Recreation.



Gov. Ralph M. Paiewonsky, visits a VISTA volunteer project site on St. Croix. Here and at similar centers on St. Thomas and St. John, volunteers in service to America are providing guidance and training for the social and educational development of island children.

Department of Property and Procurement

Personnel:

Permanent: 79

Temporary: 16

Operating Appropriation: \$810,224

Continuing growth of the Department of Property and Procurement and expansion of its responsibilities and functions marked the fiscal year 1967. Personnel in the accounting division increased by approximately 20 percent over the previous fiscal year, and another section of the department was required to accommodate its growing staff.

In addition to administering the operation appropriation accounts for the Department of Property and Procurement, the accounting division also was responsible for handling the equipment accounts for the various departments and agencies of the government of the Virgin Islands. The allotments issued to the equipment accounts amounted to \$1,383,017. Approximately 1,300 requisitions were issued during the fiscal year against these accounts, totaling approximately \$1,325,000.

Expenditures from the accounts for various departments and agencies of the government for advertising and promotion, also administered by the department, were in excess of \$70,000. Allotments came to \$114,550. Here again, the accounting division was directly responsible for the preparation and processing of requisitions and other documents against these accounts.

The activities of the Virgin Islands Board of Tax Review, transferred from the Office of the Government Secretary to the Department of Property and Procurement, were performed in accordance with act No. 1630, approved March 31, 1966. The board handled approximately 1,700 cases relative to real property assessments for fiscal year 1965. The board issued a determination that no appellant should pay more than 33 $\frac{1}{3}$ percent over his fiscal year 1964 assessment.

The engineering staff participated in a number of professional activities, some in conjunction with the public works engineering division and others independently. Projects on which staff personnel worked included: Improvements to the Harry S. Truman Airport, Contant housing, hospital ground housing, new bandstand, mental health building, Mandahl Road, and addition to Government House.

Total allotments for all activities of the department amounted to \$675,325.00 and operating expenses were \$590,296.73. These figures do not include amounts entrusted to the department for promotion, advertising, and equipment for other departments and agencies.

Division of Procurement and Supply

The division of procurement and supply processed an unprecedented number of purchase orders, reflecting the continued growth and expansion of the local economy during fiscal year 1967.

The bulk of purchases made were normal, routine transactions. The number of purchase orders processed during the fiscal year amounted to 15,948, with a dollar value of \$14,065,551.52. This compared to 13,718 purchase orders in fiscal year 1966, with a dollar value of \$13,757,796.59. Included in this year's total were 2,008 supply contracts amounting to \$4,136,971.60, which included several term contracts: 40 construction contracts amounting to \$3,654,311.44 and 14 professional contracts amounting to \$154,799.62.

There were also 307 miscellaneous contracts totaling \$1,217,673.26, of which 250 were purchases made under existing contracts of the General Services Administration, totaling \$317,761.50. There were 13,329 direct open market purchases amounting to \$4,584,334.10. The number of purchase orders issued does not cover requisitions for over-the-counter purchases under \$50.

The largest contract awarded during the fiscal year was to Chicago Bridge & Iron Co., in the amount of \$855,000, for the erection of three 10-million-gallon water tanks. Two tanks are to be installed on St. Thomas and one is to be on St. Croix.

Central Warehouse sales amounted to \$93,841.02, an increase of \$16,613.50 over fiscal year 1966. The department is trying to acquire more warehouse space which is urgently needed. Most of the items purchased by the warehouse were from General Services Administration.

Plans are being finalized to use the Puerto Rico store of General Services Administration, which will undoubtedly result in freight savings and a faster turnover of stock items.

Division of Property, Weights and Measures

During the fiscal year, several parcels of land were acquired by the government. The largest purchase was made from the United States, represented by the administrator of General Services Administration. In this transaction, the submarine base was acquired for a sum of \$3,540,600. A purchase also was made from the United States through which 1.719 acres at Estate Ross was turned over to the Virgin Islands Housing Authority for the construction of a home for the elderly. Also, 3.25 acres at Estate Honduras were purchased for \$155,000 for housing purposes. A quitclaim deed and access road easement were negotiated between Harvey Alumina, Inc., and the government of the Virgin Islands involving 25 acres of land on St. Croix.

The printing section of the department operated at capacity in meeting the demands of various departments and agencies. Among the outstanding jobs were the Governor's annual budget, booklets and calendars for the Department of Health, and annual reports for various departments.

The weights and measures program has proven to be very effective. Throughout the year, weights and other equipment were obtained to verify large-capacity scales throughout the islands. Constant checks now are made of all grocery stores, supermarkets, gasoline stations and other businesses to insure that they are complying with the law.

Surplus Property

During the 12-month period, \$130,129.06 worth of surplus property was received by the Virgin Islands State Agency.

Among the items were trucks, lathes, jeeps, refrigerators, beds and mattresses, and office and electronic equipment.

In addition to surplus property activities, the Puerto Rico office has been helping various departments and agencies to solve their purchase problems. The Office has been of great assistance to the Department of Finance in connection with outstanding transactions and related credit problems.

Division of Transportation

During the fiscal year, 94 motor vehicles were assigned to the division of transportation, an increase of 24 vehicles over fiscal year 1966. In addition,

21 other vehicles of General Services Administration, U.S. Comptroller's Office, and U.S. Immigration and Naturalization Service are being serviced and repaired by the division.

Along with the duties of providing the departments and agencies with regular daily transportation, the division transported many dignitaries and other visitors during the semicentennial celebrations and on other occasions.

Eight trainees of the neighborhood youth program were accepted by the division with excellent results. Four of them have left the island to continue training in the United States, and two others were employed as mechanic helpers by the division.

The operation of the motor pool in St. Thomas has proven to be satisfactory, and steps will be taken during the next fiscal year to start a similar operation on St. Croix. Funds for this purpose have been appropriated.

Department of Law

Personnel: 29

Operating Appropriation: \$300,956

During the period July 1, 1966, to June 30, 1967, the function of the Department of Law as the legal arm of the government reflected the general increase and expansion of governmental activities in all areas.

The increase in cases before the municipal courts has added considerably to the workload of the department. More than 7,000 matters were handled by the four divisions of that court. In the district court, the department represented the government in 19 cases, including income tax and condemnation matters. Before the third circuit court of appeals, the government argued the appeal from the judgment of the district court of the Virgin Islands declaring the watch production tax invalid. No decision has as yet been rendered by the appellate court. In October, the court did reverse the judg-

ment of \$550,000 in damages awarded by the district court against the government in a personal injury case and remanded the matter to the lower court for a jury trial.

Apart from the routine preparation of contracts, leases, and regulations, the department provided special services in the fields of labor relations, housing and urban renewal projects, industrial incentives, taxation, and bond and note financing. The department's activities also included the handling of an increased number of reciprocal support cases as well as claims against the government.

Over 200 legislative items were drafted, and approximately 150 attorney general opinions were written at the request of the Governor, the legislature, and various departments and agencies of the government.

Department of Public Safety

Personnel: 329

Operating Appropriation: \$2,042,652

The Department of Public Safety exerted considerable efforts during the year to increase departmental efficiency. Through inservice training programs, such efforts have shown appreciable results.

With additional funds, the department was able to increase the staffs of various divisions and subdivisions. Additional personnel were added to the accounting, police, fire, and detective divisions, enabling the department to meet the increasing demands for safety services more effectively.

Police Division

With an accelerated recruitment drive most vacant positions within this division were successfully filled during the year.

In compliance with Bill No. 2799, passed by the legislature on March 1, 1966, a basic training course was established for all new appointees to the police division. From April 1966 to June 1967, a total of 28 men and women recruits received 120 hours of training each.

During the period covered by this report, 46 men and women were given in-service training on St. Thomas, 45 men and women on St. Croix, and nine men and women on St. John.

Within the department, police training programs now operate on a divisional level, with activities housed at

the former submarine base on St. Thomas. The division occupies the second floor of a building there, utilizing a 1,000-square-foot area that provides classroom and office space. On the third floor the division has the use of another large room which serves as a dormitory for men enrolled in various training programs from St. Croix and St. John.

In cooperation with the College of the Virgin Islands, plans are currently underway to establish a police science program that is to eventually lead to a fully developed, degree-awarding course of study.

With a view towards long-range planning, the department established a police cadet corps designed to serve as the primary source of manpower for the police division.

In cooperation with the Department of Health, a medical self-help training course was offered to members of the police division. Inservice training efforts further saw the Federal Bureau of Investigation conducting classes for supervisory members of the force. Selected personnel from the Insular Investigation Bureau attended classes in criminal investigation at the New York City Police Academy, with one detective enrolled in a narcotics analysis course in New York.

The addition of new patrol cars in the patrol bureau and unmarked cars

for the detective section, resulted in greater departmental efficiency as well as improved police protection for all residents.

Rules and regulations of the police division were implemented during the year which will serve as useful tools to enhance the disciplinary machinery of the department.

Mounting traffic problems throughout the islands occasioned a traffic survey, conducted in April 1967. Two traffic experts from New York City were employed under contract to conduct a study of traffic situations in the islands. The study covers proposals for the location of public parking and off-street parking areas; recommendations for the improvement or widening of existing streets; and recommendations for the establishment of new streets and offstreet loading areas.

Bureau of Criminal Investigation

The number of available positions in this Bureau was increased. As an incentive to improve the calibre of detectives, the following grades were instituted: Third grade (corporal's salary), second grade (sergeant's salary), and first grade (lieutenant's salary).

A total of 2,160 criminal cases was handled by the bureau during the year. In addition, 77 juvenile cases were handled.

The identification unit fingerprinted 1,799 persons and 134 cases of missing and/or wanted persons were investigated. A total of 1,104 firearms were registered or reregistered.

The following charts summarize the types of cases handled by the bureau and give a 5-year comparison of total cases investigated:

NUMBER OF CRIMINAL CASES HANDLED—FISCAL YEAR 1967

Types	St. Thomas, St. John	St. Croix	Total
Criminal homicide.....	2	4	6
Manslaughter.....			
Manslaughter by negligence.....	4	4	8
Rape.....	29	20	49
Robbery.....	38	10	48
Aggravated assault and battery.....	86	15	101
Assault 1st degree.....	30	28	58
Burglary.....	375	152	527
Petit larceny.....	392	88	480
Grand larceny.....	170	116	286
Extortion.....	1		1
Other assaults.....	19		19
Mayhem.....	11	2	13
Forgery.....	101	58	159
Embezzlement and fraud.....	5	12	17
Weapon possession.....	4	2	6
Prostitution and commercialized vice.....	2		2
Sex offenses (sodomy).....	5		5
Offenses against family.....	3	1	4
Narcotic drug laws.....	11	1	12
Vagrancy.....	2		2
Gambling and vagrancy.....		20	20
Disorderly conduct.....	42	6	48
Gambling.....	45		45
Stolen property.....	2		2
All other offenses.....	239		239
Auto theft.....		3	3
Total.....	1,618	542	2,160

5-year comparison—Total number of criminal cases handled:	
1963.....	1, 427
1964.....	1, 078
1965.....	1, 680
1966.....	2, 105
1967.....	3, 676

Highway Patrol Bureau

An additional 27 men and women were employed to fill vacant and new positions within the bureau, thereby assuring greater coverage of school areas by the patrol section. The bureau administered 4,170 written drivers ex-

aminations and 1,248 roadtests. Due to the increased requests for drivers' written tests during the year, these examinations were scheduled twice weekly. In the 12 months covered by this report, there were 2,574 traffic accidents, 717 persons injured, and 15 persons killed. The number of stolen vehicles numbered 254, of which 149 were recovered.

The following chart shows the continuing upward trend in the registration and licensing of motor vehicles in the Virgin Islands over the past 5 years:

VEHICULAR REGISTRATION AND LICENSING—VIRGIN ISLANDS

	1963	1964	1965	1966	1967	1966		1967	
						St. Thomas	St. Croix	St. Thomas	St. Croix
Motor vehicles:									
Private.....	4,736	5,948	7,003	8,756	10,260	4,690	4,066	4,817	5,443
Taxis and rented cars.....	1,712	2,139	2,878	2,626	2,585	1,670	1,956	1,677	1,908
Trucks and pickups.....	1,802	1,907	2,995	2,384	3,034	1,114	1,270	1,440	1,594
Buses and ambulances.....	66	115	182	147	184	112	35	105	79
Trailers.....	27	26	37	44	91	5	39	5	86
Motorcycles.....	53	109	210	317	374	239	78	306	68
Motorscooters.....	19	51	92	133	157	21	112	35	122
Motorscooters.....	161	204	204	260	134	141	119	55	79
Tractors.....	12	3	33	18	43	6	12	13	30
Bicycles.....	644	672	693	519	694	273	246	205	489
Cranes, towmasters, forklifts.....	.....	1	16	19	36	.....	19	7	29
Drivers' licenses:									
Private.....	8,719	9,390	10,151	10,222	13,689	6,237	3,985	7,375	6,314
Taxi.....	988	1,078	1,034	1,101	1,344	833	268	855	489
Learner's permits.....	2,018	1,918	2,468	3,097	3,474	1,807	1,290	2,128	1,346
Traffic tickets issued.....	3,189	3,901	4,464	6,327	7,468	3,943	2,384	4,517	2,951
Fees from registration.....	\$168,061	\$193,084	\$221,702	\$252,858	\$303,210	.....	.....	.....	.....
Fees from traffic violations.....	29,266	34,419	32,569	43,336	39,354	.....	.....	.....	.....
Visitors permits.....	22,491	17,442	28,237	35,911	42,137	.....	.....	.....	.....

Law Enforcement

The following chart shows a comparison of the law enforcement activi-

ties of the police division for the past 5 fiscal years:

COMPARISON BY FISCAL YEARS, ACTIVITIES OF POLICE DIVISION

	1963	1964	1965	1966	1967
Criminal cases reported—all Virgin Islands:					
(a) Handled by foot patrol Bureau:					
St. Thomas and St. John.....	306	2, 122	2, 192	2, 337	1 480
St. Croix.....	432	581	334	584	1, 036
(b) Handled by Bureau of Criminal Investigation.....	1, 427	1, 078	1, 346	2, 105	2, 160
(c) Traffic violations brought to court:					
St. Thomas and St. John.....	1, 952	2, 721	2, 928	3, 947	4, 521
St. Croix.....	1, 274	1, 521	1, 728	1, 238	10, 137

¹ Patrol bureau handled less cases than last fiscal year period, Bureau of Investigation took over more cases.

	Money reported stolen	Money recovered	Money not recovered
St. Thomas and St. John.....	\$144, 510	\$22, 424	\$122, 086
St. Croix.....	47, 276	9, 095	38, 182
Total.....	191, 786	31, 519	160, 268

Office of the Marshal

The 16 employees appointed to this section enable the effective handling of

the large number of documents that must be processed by the Marshal's office.

DOCUMENTS SERVED BY U.S. MARSHAL

	St. Thomas	St. Croix	Total
Civil subpoenas.....	413	882	1, 295
Criminal subpoenas.....	6, 046	6, 485	12, 531
Civil summons.....	2, 665	1, 849	4, 514
Criminal summons.....	3, 151	5, 639	8, 790
Warrants of arrest.....	285	289	574
Conciliations.....	670	986	1, 656
Orders to show cause.....	134	178	312
Writs of restitution.....	23	59	82
Writs of execution.....	724	314	1, 038
Writs of attachments.....	94	.....	94
Automobile liens.....	45	29	74
All others (citations, etc.).....	60	196	256
Total.....	14, 310	16, 906	31, 216
Properties sold for nonpayment of real property taxes.....	180	78	258
Amount collected for above sale.....	\$53, 987	\$52, 645	\$106, 632

Business Inspection Office

License enforcement officers inspected 736 locations for which applications for licenses were made. These officers also regularly inspected 916 establishments for the posting of licenses and for their compliances with the Civil Rights Act.

Fire Division

During the fiscal year, the fire division responded to 483 fire calls. The total estimated dollar value loss was \$1,495,175. Of this amount \$500,000 represented the loss suffered by the Alexander Hamilton Building in Christiansted, St. Croix.

The comparative figures below show the number of fires and dollar value loss for each year beginning with fiscal year 1963:

Fiscal year	Number of fires	Losses
1962-63.....	243	\$69, 199
1963-64.....	360	687, 475
1964-65.....	344	220, 500
1965-66.....	215	167, 145
1966-67.....	483	1, 495, 175

Over the year, 16 men joined the fire division—five in St. Thomas, 10 in St. Croix, and one in St. John.

Recent legislation provided for a new fire station in the Estate TuTu area of St. Thomas. Funds were also appropriated for the extension of the fire station in Cruz Bay, St. John. Drawings for this project are complete and construction should begin early in the coming fiscal year. With the addition of a 1,500-gallon water truck, fire protection has been improved in the Coral Bay area of St. John.

Civil Defense

The development of plans and specifications in connection with the construction of a protected emergency operations center at Fort Christian, St. Thomas, moved ahead at an accelerated pace. A project application requesting Federal matching funds in the amount of \$17,043.00 was submitted and approved. Bidding in connection with construction is scheduled for the first quarter of fiscal year 1968.

The civil defense warning capability was increased with the installation of a teletype drop receiver for the handling of essential communications in case of emergencies. The unit will also be used to receive possible enemy attack warnings and other civil defense communications directly, rather than through Government House, as had been the previous practice.

A project application covering installation and recurring costs was submitted and approved by the OSA/OCD region I office. Agreements were signed with the Federal Aviation Administration and the State Office of Civil Defense covering the furnishing and maintenance of equipment by the FAA. An outdoor warning device was moved from Bethlehem to Grove Place, St. Croix, to provide adequate warning coverage for the latter area.

Two major hurricanes posed a direct threat to the Virgin Islands over the course of the year. These and two lesser tropical disturbances brought into play civil defense activities between August and October 1966. While these storms bypassed the Virgin Islands, islands further south underwent extensive damage. Following the passage of Hurricane Inez, the Office of Civil Defense launched Operation Guadeloupe to aid stricken communities on that island. Some 20 tons of assorted clothing and foodstuffs were collected throughout the Virgin Islands and for-

warded to Guadeloupe. In addition, drugs and miscellaneous cooking equipment were also purchased and delivered.

In May 1967, a civil defense adult education program was instituted in the islands. Working in collaboration with the Insular Department of Education, and the Department of Health, Education, and Welfare, a State plan was developed under which the latter Federal agency is to provide funds for the training of volunteers in radiological monitoring and in personal and family survival.

The development of plans and specifications in connection with the construction of a modified protected Emergency Operations Center at Fort Christian, St. Thomas, progressed at an accelerated pace during the year. A phase I, project application was submitted to, and approved by the Office of Civil Defense, region I. Agreements covering the design of the facility were approved by the Department of Law and the Department of Property and Procurement. These preliminary plans were forwarded to the Office of Civil Defense, region I for review and approval.

A project application requesting Federal matching funds in the amount of \$17,043.00 was submitted and approved. Preliminary cost estimates, which were used for the requested Federal matching funds that would cover the local government share representing one-half the total cost, had been reworked and will now require an additional local appropriation of some \$8,000. This, together with the Federal share will bring the construction cost estimates to a figure roughly between \$34,000 and \$36,000. The Federal contribution has been allocated in anticipation of the local one-half being appropriated. Bidding in connection with construction, is scheduled for the first

quarter of fiscal 1968, with a tentative completion date set for December 1967.

Under the surplus property donation program, surplus property with an original acquisition cost of approximately \$8,700 was received. A request for one 50-kilowatt generator, determined excess to the needs of the Peace Corps in St. Croix, was being processed at the year's end. The development of capabilities to utilize resources under emergency conditions in order to facilitate the survival, recovery, and rehabilitation of the territory and its population following nuclear attack continued. The preparation and development of plans affecting the emergency management of all local resources was completed under contract with the Office of Emergency Planning prior to the close of the fiscal year.

The recruitment of volunteers for the territory's Radio Amateur Civil Emergency Service (RACES) continued to show results. Amateur operators operating on predetermined frequencies are located on all islands to provide a communication capability both within the Virgin Islands complex and beyond.

Communications

The fiscal year saw increased capabilities of communications within the Department of Public Safety by the close adherence to guidelines established to expand such services in keeping with public need in all districts. The programs of preventative maintenance on communication equipment has been effective and facilitates 24-hour service without any appreciable loss in operating time.

Within the St. Thomas District, police communications operated a total of 8,633 hours during the year, with

fire communications operating a total of 8,628 hours.

On St. Croix, police communications saw a total of 8,462 hours operation and fire communications 8,436 hours. On St. John police communications absorbed 8,532 hours during the year, with fire communications totaling 8,616 hours.

The number of mobile communication units have been increased in St. Thomas and St. Croix and six inband portable radios were added to the department for use on special occasions by the motorcycle patrol. A monitor-radio had been installed in the St. Croix Investigation Bureau, thus keeping this unit directly in touch with all traffic throughout the public safety radio network.

Virgin Islands Home Guard

The Virgin Islands Home Guard saw almost continuous service during the 12 months covered by this report. This service covered assignments such as beach patrols at Magens Bay, St. Thomas, and as police auxiliaries on the Island of St. Croix. In addition, various details were undertaken on a nonrecurrent basis. Manpower was provided for racetrack and ballpark service, and for the packaging of clothing and foodstuffs in connection with Operation Guadeloupe.

The home guard also saw extensive service as an active participating contingent during the semicentennial observances in the islands.

A new issue of regulation uniforms was purchased in the islands for units on St. Thomas and St. Croix. At the end of the year, the long sought for headquarters for the home guard was made possible by the legislature with the appropriation of funds that led to

the acquisition of a facility at the former submarine base.

Parole Board Activities

Over the course of the fiscal year, the parole board met three times. A total of 35 applications for parole was considered, of which 14 were approved. Substantial personal contacts by parole officers and correspondence in connection with parole matters were carried out.

Richmond Penitentiary

As in the previous year, the drought kept production low in the penitentiary's farm program. The food crops obtained were used for inmate consumption only in the light of the low yield.

A women's dormitory and recreation area was constructed as was a workshop for use by the matron. Flush toilets were installed in the cellblock and yard. The institution, further, has been rewired, providing improved lighting, both indoors and out.

With recreation being vital to rehabilitation, sports participation has been encouraged with softball and basketball teams made up of inmates competing with athletic groups from the Department of Public Safety and the St. Croix Junior Chambers of Commerce.

Adult education classes have continued and the inmates interest increased considerably. Enrollment saw five men pursuing courses in English, eight in Spanish, and three in French. The Catholic Social Center has provided instructors, textbooks, and other teaching materials. Assistance has been sought from the St. Croix Society of Cultural Arts that art and music courses be introduced for the inmates.

Police and Fire Commission

Four meetings were held to consider charges of misconduct against six policemen and one prison guard. The

commission concluded no evidence was submitted to substantiate the charges. A new chairman was elected and new members appointed to the commission.

The Municipal Court of the Virgin Islands

Personnel: 32

Operating Appropriation: \$274,783

The total cost of operating the Municipal Court of the Virgin Islands, which succeeded the two municipal courts of the territory on March 1, 1965, amounted to \$259,414.28.

The number of cases disposed of in the division of St. Thomas-St. John increased over that of the previous year despite the decreases shown in the civil division, small claims division and juvenile and domestic relations division. The increase was largely attributed to the 420 additional cases handled in the criminal division. In contrast, the number of cases handled in the criminal division of St. Croix decreased by 107.

The procedure instituted the previous fiscal year of permitting police officers to serve traffic subpoenas upon witnesses, both for the government and for the defendant at the scenes of accidents, has considerably lessened the work of the marshal's office.

In the early months of the fiscal year, the Department of Public Safety was supplied with "litter tickets," as approved by the district court on

April 18, 1966, thereby enabling law enforcement officials to serve transgressors at the scene of the misdemeanor. Two cases appeared before the court in St. Thomas and six in St. Croix.

Lack of space continued to be a major problem of the municipal court. Part I of the court in St. Thomas acquired additional rooms but these did not satisfy requirements. In Part II, the court is too small to accommodate litigants, witnesses, spectators, attorneys, and court attachés. In Christiansted, the municipal court is without a courtroom and must use that of the district court by courtesy of the judge of the court, a situation which has caused this department difficulty in keeping its docket current.

Division of St. Thomas-St. John

During the fiscal year 7,832 cases, including preliminary hearings, were handled. The following table shows comparative figures covering a 5-year period:

CASES DISPOSED OF

	1963	1964	1965	1966	1967
Criminal division.....	2, 547	2, 939	5, 090	5, 222	5, 642
Civil division.....	233	498	773	657	511
Small claims division.....	663	698	842	860	852
Juvenile and domestic relations division....	258	372	390	365	325
Conciliation division.....	393	467	512	482	502
Total.....	4, 094	4, 974	7, 607	7, 586	7, 832

The amount of \$53,302 was collected from court fines, notary fees, court costs and fees, and miscellaneous charges. This represented an increase of approximately 2.6 percent over the preceding year. The court collected \$88,220.41 for disbursement in reciprocal and domestic support cases, representing an increase of approximately 9 percent. Cash bonds, executions, and judgments deposited with the court amounted to \$142,277.78, representing an increase of approximately 33.6 percent.

Four coroner's inquests were conducted. In one case the coroner found evidence of criminal responsibility and a charge of involuntary manslaughter was subsequently filed. Fifty-three requests were made for autopsies by the coroner of the Department of Health, without which the causes of death were not determinable.

There were 331 applications for marriage licenses out of which 298 were reported executed. Following is a table of comparison for the last 5-year period:

MARRIAGES REPORTED

	1963	1964	1965	1966	1967
Anglican Church.....	29	56	51	55	42
Apostolic Faith.....	2	4	1	5	1
Bethel Baptist Church.....	0	0	6	2	3
Bovoni Baptist Church.....	0	0	5	0	0
Calvary Baptist Church.....	4	10	3	5	3
Church of God.....	1	4	6	4	9
Church of God of Pentecost.....	0	0	1	0	0
Church of God of Prophecy.....	0	0	4	3	0
District Court.....	0	0	0	1	0
Dutch Reformed Church.....	0	4	7	5	2
Jehovah's Witnesses.....	0	1	1	2	1
Jewish Synagogue.....	3	1	0	0	2
Lutheran Church.....	17	24	20	19	26
Methodist Church.....	51	61	58	78	52
A.M.E. Church.....	0	0	0	1	0
Moravian Church.....	25	33	30	25	21
Municipal Court.....	50	62	55	86	85
Pilgrim Holiness Church.....	2	2	1	2	1
Roman Catholic Church.....	50	46	35	70	43
Seventh Day Adventist.....	2	4	1	5	7
St. Gerard Chapel.....	0	1	0	0	0
Total.....	236	313	285	368	298

Division of St. Croix

A total of 6,383 cases, including preliminary hearings, was disposed of in

the fiscal year, 746 more than in the preceding year. They are as follows:

CASES DISPOSED OF

	1963	1964	1965	1966	1967
Preliminary hearings.....	50	65	95	99	110
Criminal division.....	463	603	830	1,012	905
Civil division.....	333	439	392	938	997
Small claims division.....	271	418	341	510	473
Traffic division.....	1,159	1,577	1,900	2,301	3,304
Juvenile and domestic relations division....	207	218	225	351	208
Conciliation division.....	317	326	228	426	386
Total.....	2,800	3,646	4,011	5,637	6,383

The amount of \$39,640.50 was collected from court fines, notary fees, court costs and fees, and other miscellaneous charges, which is approximately a 10-percent increase in collection over the previous year. A total of \$133,446.76 was collected for disbursements in reciprocal and domestic support cases. Cash bonds, executions,

and judgments deposited with the court amounted to \$130,445.79.

No coroner's inquests were conducted during the year.

Three hundred and sixty-four applications were made for marriage licenses, and 371 marriages were reported as follows:

MARRIAGES REPORTED

	1963	1964	1965	1966	1967
Roman Catholic Church.....	40	76	68	67	98
Municipal Court.....	42	51	59	83	111
Moravian Church.....	23	37	29	21	26
Anglican Church.....	29	24	28	33	43
Methodist Church.....	0	0	22	37	39
Lutheran Church.....	12	19	13	16	18
A.M.E. Church.....	17	13	3	0	3
Baptist Church.....	1	2	3	2	4
Seventh Day Adventist.....	0	3	3	3	3
Pentecostal Church.....	7	6	5	10	8
Pilgrim Holiness Church.....	10	5	6	7	10
Nazarene Church.....	0	0	2	4	0
Spanish Methodist Church.....	0	4	0	0	0
Church of God.....	2	0	0	0	1
Jehovah's Witnesses.....	3	0	2	0	0
United Brothers in Christ.....	1	1	0	5	6
Jewish Synagogue.....	0	0	0	0	0
First Unitarian Church.....	0	0	0	0	1
Total.....	187	241	243	288	371

Office of Probation and Parole

Personnel: 8

Operating Appropriation: \$70,686

As a consequence of an agreement with the municipal court, domestic relations division, all contempt cases in child support matters were referred to the probation office for reports during fiscal year 1966-67. Under the agreement, the Office of Probation and Parole was required to supervise the principals in these cases, determine the extent of their compliance with the court order, and direct payments to the proper agencies so that the support might be provided to the designated person.

During the fiscal year, this procedure was followed, but on a limited scale since most of the people involved were chronic contempt cases.

The office placed 19 young men and

women in the Job Corps program in an effort to further their development as useful citizens of the community.

At the beginning of fiscal year 1966-67, a total of 145 persons was under supervision. During the year, 269 cases were referred to the Office for supervision, and at the end of the year the number was 150. Cases referred during the year were classified as follows:

Municipal court, adults.....	70
Municipal court, juveniles.....	84
District court.....	60
Contempt cases.....	55
Total.....	269

A statistical report on other activities of the office during the year follows:

Interviews, an average of 1 visit per week per probationer.....	11, 128
Investigations, average of 6 persons interviewed per report.....	2, 965
Reports on inmates at Richmond Penitentiary, bimonthly visits.....	150
Presentence reports for district court.....	130
Presentence reports for municipal court (adults).....	57
Presentence reports and postsentence reports for the municipal court (juveniles)....	84
Reports on contempt cases.....	55
Reports on Parole Board applications.....	35
Reports for other States on investigations conducted in the Virgin Islands.....	24
Letters of inquiry soliciting information for reports.....	15

During the year, the responsibilities of the office required the services of eight staff members as compared to the probation officer and clerk who served when the office was established in 1958. Present personnel include:

One chief probation officer, one deputy chief probation officer, two deputy probation officers, one administrative officer, two clerk-stenographers, and one janitor-messenger.

Virgin Islands Planning Board

Personnel: 15

Operating Appropriation: \$159,624

The Virgin Islands Planning Board began the fiscal year with 14 authorized employees and an operating appropriation of \$159,624. At the end of the fiscal year 15 positions were filled and actual expenditures by the board amounting to \$147,192.31.

The planning board is responsible for long-range comprehensive planning, subdivision, and zoning administration for all of the U.S. Virgin Islands. It functions as an advisory body to the Governor and is composed of 13 lay citizens appointed by the Governor and confirmed by the legislature for staggered terms of office.

In October of 1966 the board instituted a system of insular committees, whereby members from the respective islands met, discussed, and took preliminary action on applications pertaining to their particular island. Applications approved by the insular committees are referred to the full board each month for final ratification.

In February, the planning office moved to its new location in submarine base. The new office, located in former UDT facilities, offers adequate drafting space, display areas, and a combined conference-library room. Public hearings, previously held in the Senate Building, are now conducted at the planning board's office.

Zoning Administration

The land use controls section, responsible for zoning and subdivision, received 123 applications for special exception, 23 applications for variances, and 11 applications for developments within certain zoning districts, C-2, C-3, I-1, and in the Christiansted historic district.

The number of approvals and disapprovals given during the year are indicated on the chart tabulations of planning board activities.

Significant approvals included a commercial facility within the historic zone of Christiansted, a concrete block plant at Estate Hogensborg, St. Croix, an auto sales and showroom at Estate Concordia, and a watch assembly plant in the C-1 zone of Christiansted.

Significant special exceptions granted in St. Thomas included approval of six cottages for a proposed resort hotel at Estate Smith Bay, and approval to construct additional guest cottages at Sapphire Bay resort.

During the year, 83 preliminary plat subdivisions totaling 3,417 lots received approval. These proposed lots comprise a total of 1,707.99 acres. Of the proposed lots approved, 2,215 or 64.8 percent were on St. Croix, and 1,100 or 32.1 percent were on St. Thomas.

Approval was granted for 704 final lots. Of this total, 619 lots or 87.9 per-

cent were on St. Croix, with 79 lots or 11.2 percent on St. Thomas.

Two large-scale subdivisions received preliminary approval. These included a subdivision of 324 lots at Estate Anna's retreat, St. Thomas, and a subdivision of 388 acres at Estate William's delight, St. Croix.

Design Activities

During the year, the planning staff worked on several design projects in collaboration with operating agencies. The most significant projects were Emancipation Garden renewal, consisting of a new bandstand and the re-designing of the landscaped area; the design of recreational facilities at Long Bay, St. Thomas; recreational and athletic facilities design for Charlotte Amalie High School; and recreational facilities design for Altona Lagoon in Christiansted.

Planning Studies

Early in January an application was submitted to the Department of Housing and Urban Development for an urban planning grant to assist in financing a planning study for the general development of central St. Croix.

In March, the board's director was advised by HUD that a \$43,734 urban planning grant had been allocated for this purpose. This grant is to be supplemented by \$14,579 in local funds and services for the following studies: Land use and valuation, physiographic, quality resources, community facilities, and general development plan and report. Drawings and sketches for the first three studies have been completed.

A third party contract with the consulting firm of Nash-Vigier, Inc. of Cambridge, Mass., has been drawn and

execution is expected shortly. The consultants will conduct studies and prepare reports concerning the impact of industries in central St. Croix, population characteristics, economic, cultural, social, and political implications of urbanization, housing, and recreational needs, and various effects of cost-revenue relationships. The study is expected to be completed in 12 months.

An air transportation study began in May 1966 with 95 percent of the work completed at the end of the fiscal year.

Through the legislature, the Board was authorized to conduct a feasibility study into the question of providing an alternate western entrance to Christiansted, St. Croix. In June an aerial survey was made of the area in question, as a means of determining traffic volume. Further studies involving traffic counts and land valuation will be conducted early in the coming fiscal year.

During the year considerable work was done in reviewing and coordinating projects of the various executive departments.

The Board reviewed and approved the construction of additional classrooms to the Nisky School in St. Thomas; made studies and recommendations with regards to the acquisition of additional land for the expansion of the Wayne N. Aspinall Junior High School in St. Thomas; and reviewed various projects undertaken by the Department of Housing and Community Renewal.

In cooperation with the College of the Virgin Islands, the Planning Board staff reviewed the overall site development plan for the college, including construction of a 60-unit women's dormitory, faculty housing, and a library.

Summary of planning activity data:

1. Regular meetings.....	15
2. Committee meetings.....	12
3. Special meetings.....	3
4. Total items discussed.....	471
a. Regular.....	328
b. Committee.....	127
c. Special.....	16
5. Public hearings.....	27
a. St. Thomas.....	12
b. St. John.....	4
c. St. Croix.....	11
6. Total items handled at public hearings.....	126
a. St. Thomas.....	45
b. St. John.....	5
c. St. Croix.....	76

APPLICATION PROCESSED BY ISLAND, FISCAL YEAR 1966-67

	St. Thomas	St. John	St. Croix	Total
Special exceptions:				
Received.....	37	5	81	123
Granted.....	21	4	44	69
Denied.....	10	0	11	21
Variances:				
Received.....	14	0	9	23
Granted.....	10	0	5	15
Denied.....	4	0	0	4
Approvals:				
<i>Historical district:</i>				
Received.....	0	0	1	1
Granted.....	0	0	1	1
C-2 zone:				
Received.....	1	0	6	7
Granted.....	1		5	6
C-3 zone:				
Received.....	0	0	1	1
Granted.....	0	0	0	0
I-1 zone:				
Received.....	0	0	2	2
Granted.....	0	0	2	2

SUBDIVISIONS, FISCAL YEAR 1966-67

	St. Thomas	St. John	St. Croix	Total
Preliminary plats:				
Received.....	20	3	78	101
Approved.....	15	3	65	83
Total lots.....	1, 100	101	2, 215	3, 417
Total acreage.....	688. 88	56. 18	962. 93	1, 717. 99
Final plats:				
Received.....	6	1	42	49
Approved.....	6	1	42	49
Total lots.....	79	6	619	704
Total acreage.....	18. 74	5. 08	305. 11	328. 93

Division of Personnel

Personnel: 17

Operating Appropriation: \$142,789

The division of personnel, under the Office of the Governor, performs all phases of personnel administration: Recruiting qualified employees for government service, testing certified candidates, recording and checking changes of status, administering the retirement system for government employees, and cooperating with other departments in expanding programs of employee training and development.

Recruitment and Retention Training

There has been a marked improvement in the number of highly trained applicants for social work, accounting, and public administration. Recruitment of medical and paramedical personnel remains difficult, while recruitment in the clerical and secretarial fields continually improves as more students from the high schools and the College of the Virgin Islands enroll in classes dealing with commercial subjects. The Neighborhood Youth Corps program has proven successful by increasing the number of eligible recruits through its training and various job programs.

Plans are presently underway to enlarge the St. Croix office and to build additional quarters for the St. Thomas main office. A certification section has been added to the St. Croix office in an effort to expedite recruitment and placement.

Officials of the Department of Interior visited the personnel division and conducted a preliminary survey to determine the areas to be dealt with in an intensive study of the personnel merit system planned for the immediate future. The legislature of the Virgin Islands appropriated \$50,000 for the study. Act No. 2013 provided for coverage of unclassified employees into the classified service, and now only those positions of major supervision and of a confidential nature will remain unclassified.

Retirement System

The employee retirement system covers all permanently appointed employees of the executive departments of the government, the municipal court and the legislature (including legislators who elect coverage) employees of the Water and Power Authority, the College of the Virgin Islands, the Virgin Islands Public Housing Authority and the Urban Renewal Board.

The system provides all its members with retirement annuities, disability benefits and death benefits. Loans are available to active employees for personal expenses and for home building or improvements. At the end of the current fiscal year, 171 persons were receiving monthly benefits totaling \$15,725.68. In addition, 111 persons were receiving pensions awarded by

special legislation amounting to \$11,384.50.

During the year two important legislative acts affecting the system were passed. The first act authorized the system to make loans as high as \$2 million to the government for the purpose of providing moderate-income housing. The second act made changes in the conditions requisite for retirement, allowing for earlier retirement with increased benefits, particularly in the case

of policemen and firemen. It further provided for mandatory retirement at the age of 65 for employees other than policemen and firemen who must retire at the age of 55.

Employer contributions from the executive departments of the government continue to be made at the rate of less than 17.63 percent of covered salaries, as recommended by the consultant for the system.

Selective Service

Personnel:

Compensated 5

Uncompensated 31

Operating Appropriation: \$1,513,212

With a constant rate of input of manpower into the Armed Forces to supply the manpower requirement of the Vietnam conflict established in the previous year, fiscal year 1967 brought little change in the operation. Induction quotas ran approximately the same. There were few changes in the regulations.

The operating procedures of the system continued the registration of young men as they attained age 18, maintained current information and classification on all registrants within the age of liability, deferred for education, essential employment, hardship, and other essential activities those found eligible, and selected for physical examination and subsequent induction those found qualified in such numbers to satisfy the induction quota awarded the Virgin Islands.

Induction authority under the Universal Military Training and Service Act expired on June 30, 1967. During the year, legislative action was necessary for such authority to continue. Prior to legislative proposals, the President early in the year established the National Advisory Committee on Selective Service, which preceded by a short time the establishment of a Civilian Advisory Panel In Military Manpower Procurement by the House Armed Services Committee, whose

prime missions were to thoroughly study the Selective Service law and make proposals for changes deemed necessary. It was not until June 30, 1967, that the Military Selective Service Act of 1967 effectively revised the old existing law.

The outgrowth of the Military Selective Service Act of 1967 in the closing hours of the year served to set the stage for continuing the act into the new fiscal year just beginning. Highlighted among the changes were:

(1) Critical skills for occupational deferments would be more clearly identified rather than left to random choice.

(2) College students would be generally deferred until age 24; and that graduate students would generally be allowed 1 year beyond college graduation.

(3) Registrants deferred as students would not subsequently be deferred as fathers.

(4) Extension of the liability to age 35 of all physicians, dentists, and allied specialists.

Several changes affecting induction were experienced. In October, the mental standards were reduced by lowering acceptability test scores; these were further reduced in December and significantly reflected in examination results quoted below.

Registrants were permitted delayed recruiting appointments up to 120 days beyond their scheduled induction dates if a valid date were fixed for their enlistment by the recruiting service.

College qualification tests which were offered in November, March, and April were discontinued in view of the provisions of the revised Selective Service law.

Most important to the registrant was the extension to 30 days during which time he might file an appeal from a classification; previously 10 days was the limit.

Referral of cases to the justice department for interview was discontinued in the case of registrants claiming conscientious objection.

The total registration in the two local boards reached 8,147, covering registrations from 1948. This represents a sizeable annual increase of 771 above the 7,436 recorded at the close of the previous fiscal year. Over the last 5 years the increase has been almost consistent: 629 new registrations in 1966, 515 in 1965, 528 in 1964, and 435 new registrations in 1963.

It is noteworthy that the above figures reflect the rapidly expanding resident alien population, especially during the last fiscal year as a result of the immigration and labor departments' joint effort to resolve the labor market problem in the islands. Although the military obligation of resident alien and citizen are alike in every respect, this noted influx will not materially affect inductions, since most of the newly admitted male residents are above 26 years, or above the age of current selection for military service.

Over 2,100 classification actions were taken by the boards; the boards numbering five members each meet once each month to consider information gathered on registrants to classify each registrant according to his individual status. While class 1-A, available for military service, was the most active class, as men were initially classified or reclassified, all classes were active. Deferments for education, both high school and college, numbering slightly below the norm, showed no appreciable change from last year's average. To assist local boards in determining a student's deferability, both the college qualification test and the student's class standing were considered.

The appeal board met only once to consider four appeals from classifications rendered by local boards. It was unusual that three cases involved registrants residing in the islands who were under the jurisdiction of local boards of other States.

Preinduction physical examinations to determine the registrant's acceptability for service is a responsibility of the Armed Forces, carried by the Armed Forces examining and entrance station in San Juan, P.R. As the need arises, registrants in class 1-A are selected, transportation furnished, and an examination effected. Results have ranged from 42 to 27 percent acceptable over the last 5 years. The aforementioned reductions in mental requirements served to produce 251 acceptable registrants, or 59 percent out of 428 examined compared with 35 percent found acceptable last year. The comparative table follows:

Years	1963	1964	1965	1966	1967
Examined.....	121	429	378	642	428
	Percent	Percent	Percent	Percent	Percent
Accepted.....	50-41	114-27	121-32	224-35	251-59
Rejected.....	71-59	315-73	257-68	418-65	117-41
Mental.....	64-53	257-60	218-58	355-55	143-33
Physical.....	4-3	34-8	21-5	44-7	18-4
Combination and/or other.....	3-3	24-5	18-5	19-5	16-4

The total induction quota for the year of 149 was easily met and over-subscribed by 12. This compares with a quota of 147 the previous year. Of the 161 inductees 72 were volunteers, all of whom entered the Army of the United States. Additionally, 62 registrants enlisted directly into the various branches of the service for an input of 223 as compared with 140 separations

reported by all services.

Registrants separated from less than 6 years of active military service are screened to the Standby Reserve to complete their military obligation. These reservists are recallable in time of war or national emergency as determined by local boards. Of the 119 currently listed, 61 have been identified to the armed forces as available.

Conclusion

During the 6 years of the present administration, the Virgin Islands has enjoyed a period of uninterrupted and unprecedented economic growth. In the fiscal year 1966-67, this expansion again set new records in both the private and governmental sectors.

Much of the impetus for progress has come from the government's efforts in promoting tourism and industrial and commercial activity. Tourism continues to be the islands' number one industry and its continued growth has been enhanced by the introduction of nonstop jet flights from the mainland, improved tourist accommodations and a highly successful advertising and public relations program. Industrial incentives continue to bring new business and the trend toward diversification is apparent in the number and types of new firms established.

The general business prosperity, creating in turn, improved wages and job opportunities, has enabled the administration to increase social service and meet the needs for expanded educational programs, health and housing needs, and public works projects.

On the occasion of its 50th anniversary as a U.S. territory, the people of

the Virgin Islands continue to look to the Congress and the Department of the Interior for assistance, guidance and cooperation in carrying out necessary programs. At the same time, the economic progress and political maturity achieved in the past few years offers substantial proof of the Virgin Islands peoples' right to additional self-government.

The Congress, recognizing this, this year authorized an increase in the size of the legislature from 11 senators to 15 and granted the legislature the right to set its own salaries. It also raised the ceiling on the issuance of revenue bonds. This in turn, has made it possible for the local government to proceed with water and power expansion plans and additional school construction.

It now remains for the Congress to consider the bill before it giving the Virgin Islands the right to elect its own Governor. At the close of the fiscal year, widespread support for such a bill both in the islands and on the mainland, lent confidence to the belief that the measure would be enacted in the coming year.

